

FAR EASTERN ECONOMIC REVIEW

Vol. XXI

Hongkong, October 25, 1956

No. 17

Accountancy and the Universities	517	Thailand		Finance & Commerce	
New Tides of Readjustment	519	Reports from Bangkok	528	World Production and Trade of Tea	538
Hongkong Politically Vulnerable unless Morally Fortified	520	Burma		Hongkong Exchange Markets	539
Japan		Contemporary Burmese Culture	530	Hongkong Share Market and Stock Exchange in September	540
Japanese Economic Reports	523	The University of Rangoon	532	Singapore Share Market	541
Economic Letter from Tokyo	525	Ceylon		HK & FE Trade Reports	541
China		Ceylon's Trade	532	Hongkong Company Incorporations	543
China's Transport Worries	526	Hongkong		Exports of Hongkong Products during January/June, 1956	544
Reports from China	527	Notes and Reports	533		
		Hongkong Statistical Reports	535		
		Hongkong Aviation and Shipping	537		

ACCOUNTANCY AND THE UNIVERSITIES

By Professor E. Stuart Kirby

The experimental institution last year of evening Extramural Courses in Accountancy and Secretarial Practice, by the University of Hongkong, proved distinctly successful; these courses are presently resuming for the current session. They are designed to assist entrants for the examinations of recognised British professional associations. There are four subjects: Accountancy, Secretarial Practice, Mercantile Law and Economics. Only the last of these is taught by University staff members; the others are in the hands of qualified professional members of the general community. An Advisory Committee includes various well-known members of Hongkong business and professional circles. The University of Hongkong Calendar for 1955-56, it will have been further noticed, includes in the curriculum as options for its B.A. Degree, under the Department of Economics and Political Science (p. 83), syllabuses for Accountancy and Business Administration; but these two groups carry the footnote "these courses are under review," and they are not yet being offered in practice.

It does not seem to be fully clear, in some sections of the public, what exactly is involved in all this. In a succeeding article, I shall deal with the specific and local questions. Meanwhile, it is necessary to give some wider background. The fact is that higher education in the Accountancy field—or, it may be more correct to put it, a special linking of advanced training in that field with that of

Higher Education, or indeed an "invasion" of the one sphere by the other—is one of the most significant and progressive features of the age.

The extent and nature of this phenomenon are little realized, and I should begin by trying to give some perspective of it, before embarking on the discussion of local instances and applications. I shall not attempt to do this on a world-wide canvas, but only give some picture of the position in the United Kingdom, which is obviously the most relevant example. (A full and authoritative survey by Mr. R. Sidebotham appeared in the Accountants' Journal of April, 1956, to which I am much indebted for information).

* * * *

The whole subject was carefully examined in the United Kingdom, more than ten years ago, by the McNair Committee, which produced a scheme for the education at the Universities of people intending to take up accountancy as a profession. The plan was strongly endorsed by the Institute of Chartered Accountants, the Society of Incorporated Accountants, and the Association of Certified and Corporate Accountants, and was put into practice about ten years ago.

The students concerned took degrees, at British Universities they selected for themselves; after the normal three years' study, a B.A. or B.Sc.(Econ.), or B.Com., according to those Universities' respective usages. But the degree courses selected had to

include due attention to, or specialization in, the relevant subjects: accounting, economics and law. An array of British Universities already offered these, naturally, even in the early 1940's, and regarded them as a group of related disciplines, having moved with the times pretty far towards regarding the "General Arts" degree basis as distinctly obsolescent.

University graduates had already previously been admitted to the examinations of the Professional Societies in this field on one special concession, viz. a shorter period of experience in the profession, or under articles, than is required of non-graduates. Under the new scheme those graduating as defined above enjoy an additional and larger concession: they are exempted from the Societies' Intermediate examinations. They can therefore get both the professional (Final) qualification and a (cognate) University degree in a greatly reduced total time (but it is still 5½ years).

Accounting as a major degree subject is now available at all British Home Universities except Oxford. (There are of course variations in the title; e.g. Cambridge has a Chair of "Accounting and Finance," Southampton—possibly the nearest British community to take as an analogue to Hongkong; it has slightly less turnover as a shipping port, but rather more as a manufacturing centre—has a "Faculty of Economics and Accounting").

The Home country's steps in this field may perhaps even be deemed to be somewhat in advance of the technical and organisational norms of the times, (whereas Hongkong's are some generation behind them). In fact, the response in Britain has so far lagged distinctly behind the facilities; and is relatively less than the response in other fields of qualification. The number of students graduating in British Universities in Accountancy remains relatively small.

An interesting analysis was given by Professor Solomons, in his inaugural address on appointment to the Chair of Accounting at the University of Bristol, at the beginning of this year. He reckoned that not more than 6% of people entering the profession of accountancy are graduates, and that not all of these are graduates in Accounting; for comparison, 37% of those qualifying as solicitors, and 57% of those called to the Bar, are currently graduates.

But of course the large flow is inevitably to come; and the present point of interest is that the British University world has acted ahead of needs, rather than after them. In modern economies, there has of course been a functional, and indeed a social, revolution in the position of the accountant. Beyond the more ancient realms of book-keeping and auditing, and special functions and responsibilities (on the borderlands of Law) in taxation, executorship and trusteeship, he has conquered vast new domains in the directions of managerial accounting and responsibility, statistics, costing, forecasting, etc. He performs a whole range of essential business services, is highly involved on the "policy" plane, and may be found anywhere, even on the Board.

Since the passing of the Education Act of 1944, the number of University students in England has increased by about two-thirds (though still below the ratio for other countries). This postpones the arrival of all these students on the labour market. But very full employment prevails in Britain, as well as fairly full education, and all the professions are intent on receiving them ultimately. The scientific, medical, engineering and legal professions, well in already with the Universities, were predisposed and already set to draw on the increased flow of graduates; such vocations as Accountancy came in later in this respect, but may be expected to exert an increased and substantial draw henceforward.

The "vocational" emphasis in a degree, it has definitely been found, reduces the period which its holder requires to "settle down" afterwards in real-life business or industry. The demand on the side of industry—as distinct from mercantile business—is only just beginning to grow, in this field in Britain. This is due to some positive factors, such as the growth and development of cost accounting, linear programming techniques, etc., and to some negative factors, e.g. that some of the graduands were pre-committed to serving articles in business houses.

Results naturally vary, from place to place and group to group—and even from year to year. But such strikingly good records as those at Manchester University have drawn attention. Of 20 accounting graduates of the years 1950-52 at Manchester entering the profession, 18 have passed their Professional Societies' Finals, nearly all at their first attempt; (one passed two Societies' Finals; one was killed in an accident); and they took a large number of First Places and prizes. Details of other Universities' results are not available, but are known to be satisfactory.

* * * *

The broad circumstances in the United Kingdom are clearly very different from those in Hongkong or elsewhere in the Far East. But the practical moral is not hard to draw. Some development in this field is highly necessary and timely here in Hongkong on some relative and appropriate scale and basis. In this connection, one common source of misapprehension requires perhaps to be cleared up. All activities of this type, as for example, (a) University work in this field (of two possible kinds, extramural and internal); (b) that of the Technical College; (c) that of correspondence schools, and even (d) that of the private tutorial institutes, are broadly in what the economist calls "non-competing groups." The extension of one of them is not at the loss or damage of another. Rather, their functions, generically and functionally different, are complementary. There is room for them all, and even, to some extent, they may need each other.

* * * *

The case of Hongkong, obviously, is different from that of Britain or other places. The above leads only to inferences or indications on the broadest lines of principle. Something appropriate to Hongkong and purely relative to its position and circumstances has of course to be devised and discussed. Nor can anything be done in a hurry; the process must be constructive, and necessarily cannot be rapid.

Yet the need for change and development in Hongkong, in this sphere as in others, may not be slow in becoming pressing. At the best of times, we could not afford to be complacent, or lacking in readiness to change our arrangements with altering circumstances. The present indications are that difficulties are likely to be very severe in future. The basic trend in international trade is towards a world in which there is little or no place for an entrepot, least of all an old-fashioned one. Competition must inevitably be ferociously intensified, in this part of the world. Social and general pressures, in this day and age, make it inevitable that the structure of the firm and the nature of enterprise will have to be drastically changed.

Ours is an artificial community, the creature of circumstances; it can only survive by luck, by judgement, or under the protection of a strong political or military power. The last-mentioned factor appears to have become considerably debilitated recently; and we cannot rely much longer on luck. There remains judgement. As far as the business world is concerned—which is the main consideration, anything else which goes on in Hongkong being essentially

NEW TIDES OF READJUSTMENT

The agreement between the Soviet Union and Japan leaves a whole lot of things unsettled but it does provide for the Soviet support of Japan's candidature for the United Nations, and removes the menace of the Soviet veto. It means that Japan is almost certain to be a member in the near future. Peking has therefore lost the race, though it still hopes to be elected about the same time. This has been the major motive of much of the diplomatic comings and goings, the expensive cultural tours of capitals with which China has nothing whatever to do otherwise in politics or economy, and, as the latest examples, the exceptional attention paid to the Muslim Powers and notably the Indonesian President and the Pakistan Prime Minister.

China's claim to the primacy of Asia rests on other grounds than the mere desire to get into the United Nations before Japan, in spite of this. But what Peking dreads and detests most of all is the danger that in pushing her claims she may force on others a compromise on the basis of the "Two Chinas" theory—a Nationalist China and a Communist China. It may seem to many the logical and obvious solution till the two factions come together—the Authority unseated by armed force and internal disintegration and defeat and the Authority which conquered China by main force—and settle the quarrel with a new synthesis. Peking has earned so much prestige by its great economic plans and immense resurgence of spirit and energy that it can still remain the main magnate of Asian revolutionaries whatever betides in the case of her candidature for the U.N. But internal anxieties or considerations deter such an attitude of calm indifference.

It may even be that something of the extraordinary virulence of the Chinese reaction to the riots in Hongkong relates to this question as much as to the merits of the controversy itself. The regime has had so far a staggering and spectacular success with the peasants, but agricultural collectivism still depends on the fulfilment of the chief, if not the sole, incentive of greater gain, since there is no intellectual conviction or even knowledge of theory, behind the response of the peasants such as drives the ardent young Communist on to his Marxist paradise. Where Nature was kind the peasant will do better this year. But it has been very unkind in many places and millions will fare the worse for it. And the latest emanations from China indicate that the rapidly expanded co-operatives have created a host of irritating problems and defects.

Nerves are being affected accordingly but are much less evident in Peking than in this locality where the psychological disturbance has been rather startling. The turn from the supreme confidence and savoir faire of recent months has been very sharp, but the British here will hope the mood will soon pass and both factions settle down as quietly as before—after the evildoers have had their full deserts. It is absurd to suggest that Hongkong has any intention whatever to shirk its responsibility. On the contrary the authorities are determined to enforce it on all

law-breakers who have brought shame upon the whole community. That is the line of demarcation here, not ideology. A man can think what he likes; he may not act as he likes in defiance of the law. No sympathy will be wasted on those who provoked and carried out the riots.

There is, of course, a sudden sense of unsettlement and of fluidity over the whole Communist world at present. What had seemed solid rock from the North Sea to Kamchatka and from Yakutsk to Hainan is not exactly shifting sand but a vast area of tremors. The bloc Stalin ruled with a rod of iron and which, in his lifetime, included China in its satellites, is not disintegrating so much as loosening. Chess of the diplomatic and political order is being played as it used to be played before the war, and pawns are being daily shifted. Power and liberty are seeking a new synthesis.

The tale of Chairman Mao Tse-tung's enterprising but independent chat with the Polish First Secretary Edward Ochab and of M. Mikoyan hastening home to tell it would be surprising only if it were not true. The trouble about bestriding the world like a Colossus is that too many men dislike walking under the giant's huge legs and "peeping about to find themselves dishonourable graves." And there is a sentiment much sharper than amazement normally aroused among the non-U or the lesser folk in other domains than those of social status. Stalin often cracked the whip, and seldom with any delicate consideration for others. But they all did fear him, as few now fear Khrushchev or for that matter any others of his contemporaries or successors. Peking has had to give way to the Tibetans in the pace and control of reforms. The autonomy there is to be much more realistic than originally intended in the days the army marched in under the presumably benevolent grimace of the Great Overlord in the Kremlin. And now the autonomy of China in the international Communist hierarchy is also to be much more real than it was under the Supreme Despot. So much is obvious and to be expected. There is even talk now of a Communist Commonwealth of Nations, in a reasonably robust copy of the British Commonwealth!

The French have a delicate and rather satirical type of wit. They can invent a good yarn, and they can invent a true one with properties peculiarly their own. So it need not be assumed that every word is wholly true in the tale told by a correspondent of the independent evening newspaper *France Soir* when it regaled its readers with the story of Mao Tse-tung's split with Nikita Khrushchev on the question of Soviet leadership (or domination) of World Communism. But it is almost certain that some such development has not only begun but made progress, for it is even more logical than Nature itself. With some 50 odd national Communist Party delegations in Peking during the Chinese Party Congress, there must have been quite a lot of talking on the side, and not necessarily in the hushed whispers in which the harassed comrades from abroad used to talk in Stalin's heyday at the rare but seldom refreshing CPSU Congresses in Moscow. The Thaw which began in the frozen fastnesses of the Communist creed is the herald of a new political Springtime which will pierce like glad sun-rays the dark places of our latter-day history. All at once the new Empire bestriding two Continents seems to shrink a little on the West and to the South-East.

The story told by the French journalist, who claims an excellent source, is that Chairman Mao got together

parasitical on business—the improvement of capacity and efficiency at all levels of staffing is a vital question. As shown above, Higher Education has nowadays a vital part to play in such matters. In a subsequent article I shall discuss more specifically the application of these considerations to Hongkong.

HONGKONG POLITICALLY VULNERABLE UNLESS MORALLY FORTIFIED

By Lo Ka Cheung

Following the peaceful reoccupation of this Colony by British Forces in the year 1945, Hongkong has been so successful in all directions that outwardly, it seems as if we could rest assured that it will be another 100 years before trouble might come up to shake the confidence of us Hongkongites who are a little too optimistic to open our eyes wide to see truth face to face, but are oftentimes acting like an ostrich burying its head deep into sand to ignore realism.

That confidence in a government's potentiality to defend its citizens is essentially a very important factor in putting up a good fight against aggressors can very well be taken for granted. And we can see here everyday the growth of things contributive to the defensive strength of our beloved Hongkong at a singularly heartening pace.

First of all, we see on every side the rapid expansion in industry to give us the assurance of a healthy financial aspect. Our products go as far as the tip of Africa or the very core of Latin America, enjoying a good name and, at

with the representative of the Soviet Union's other great neighbour in the West, and gave E. Ochab formal encouragement to obtain greater independence vis-a-vis the Kremlin. This conference was supposed to have been held at the same time as the talks between Marshal Tito and M. Khrushchev and other Soviet leaders on the course of international Communism. It is said that Mao Tse-tung told E. Ochab that he disapproved the recent effort of Moscow to impose again its sole and dominant influence on the other Communist Parties. It is also suggested that he told Ochab that the Poles should follow absolutely the search for an autonomous internal policy and develop their own social system as Yugoslavia had done.

Indeed, China herself has been showing marked signs not only of this form of Titoism—consistent with her great dependence on and essential solidarity with the Soviet Union—but of others too, even in constitutional matters. And it is reciprocated in a growing interest by the Yugoslav leaders in China or what might be called "Maoism," when applied to the more practical operation of political interest. Tito's No. 2 (M. Kardelj), who is under a Moscow cloud at the moment, wrote some nice things in the visitors' book in the Chinese Pavilion at the Zagreb Fair. And Marshal Tito must have had quite an interesting chat with General Teng Hua in the White Palace at Belgrade on October 13. The Tanjung news agency described it as "a long, cordial conversation." The Army is again becoming a factor second only to the Party in both the Soviet Union and also in China, where many of the members of the Defence Council got into the Party Standing Committee. There is a vast re-assortment of relations, both personal and national going on—as indeed there is also in Britain and Western Europe. Perhaps it may facilitate wider agreement in co-existence when the tides of change and readjustment slacken again, and even bring Japan and China also into official relations and thus supplement the Russo-Japanese agreement with an even more indispensable basis for solid peace in the Far East.

the same time, giving employment to many who need a job for their daily bread.

Secondly, we notice that land prices have increased by ten fold of late. Twenty years ago, the sale of a square foot of land at a cost of hundred dollars would have been most sensational news enough to shock everyone while nowadays, it is almost an everyday affair done with not so much as a stir but with much smiling of face in that in the short space of a few years, a resale might net the owner another hundred dollars per square foot.

Thirdly, we witness the bristling up of new apartments to give a new look and a new dignity to the place we love although most of us could only fancy about living in such premises instead of having the opportunity of actually taking possession of a single flat, or even a single sizable room for comfort's sake. For those with pockets empty and dreams emptier still, an example to set their minds at ease would be that of Yan Hui, one of the 3000 disciples of Confucius, who was born very poor but uncommonly zealous in pursuing his teacher's moral principles. The thing to be regretted was that he did not live to a green old age but died prematurely in his early thirties so that after his unexpected death, Confucius kept his name lingering in his mind, so much so that once the sage said in a melancholy mood, "Admirable indeed was the virtue of Hui! Despite a single bowl of rice for food, a single cup of liquid for drink, and a simple lodge in a mean, narrow lane for home, he did not allow his happiness to be affected while with persons of less contentment, such state would have become humanly unbearable." That was why one famous writer declared in his essay *The Tower of King 'Tang'* that "A gentleman is undisturbed with poverty while one of nonchalance always cleverly resigns to fate."

Fourthly, we observe the opening up of new channels for communication in the form of new roads, new airways, and especially new launch lines plying between Hongkong or Kowloon and some distant outlying districts. This certainly adds much to the prosperity of the Colony and its peoples in a big way. Already much hustling and bustling can be seen in such far away places as Cheung Chau, Shek O, Silver Mine Bay and others.

Fifthly, we have departments to help boost the intensification of farm production with a view to self-sufficiency in the matter of food, an item that occupies by far the greatest portion of our daily attention. For, besides meat products, rice has to be imported all the while, in large quantities from abroad while what we could produce locally, takes up only a very small percentage so that this programme of increased food growing is all the more urgent for its early accomplishment. But, of course this could not be fulfilled overnight. The process is slow and laborious. Some of us might not have the life to see it come true. Anyhow, it is there to give us inspiration and courage to carry on for Hongkong will still be Hongkong for a long time to come.

Then on the aspect of military preparedness, we find it a common sight to see jet vampires on practice almost daily

demonstrating their dexterity and manoeuvrability in a striking way. Tanks too, roar past often enough to give us a sense of security.

The Navy is not a wee bit behind in its alertness either, though the chance of seeing a navy going into operation would be rare. Yet, it is there to keep a watchful eye on anything untoward that might turn up all of a sudden.

We have also People's Auxiliary Units to help along, —young fellows similar in nature to A.R.P. of pre-war days but somewhat more hardened, for these youths have a tougher dare-devil spirit than A.R.P.s had in 1941. As I was here during the war on Hongkong, I actually saw with my own eyes how they played their part after the Colony's occupation. Their morale was a bit below par, but that was pardonable since they had been living peaceful lives all the while and the sudden change in circumstances wrought upon them by war was monstrous. But, after World War II, people have been very much inured to this grim business so that if there be another war, they would not lose their head so easily and be thrown into a panic so quickly as A.R.P.s did before.

As to the Police Force through whose strength, order and peace is maintained, we observe that passing out of graduates has been a frequent event to give us the pledge in its adequacy to cope with situations that might arise out of inclinations for trouble-making and rioting.

* * * *

So far so good although whatever I have mentioned concerns only the rosy side of things. By now, I must mention the dark side to complete the picture in order to give us some food for thought and a timely warning that the adage "Everybody's business is nobody's business" must not hold this time. Somebody must get up and be on the go.

First, let me point out most clearly the lurking danger of Hongkong's sea of humanity in poor circumstances that can be witnessed everywhere. With Hongkong reoccupied and Mainland China turned chaotic, Chinese people simply streamed in, in hordes so great as to swell the local population to unknown millions. That was a long long time ago. By now as the years roll by, we are adding sixty thousand new-born babies annually with at least seventy percent of them not having any decent hope of a better standard of living during childhood nor a brighter prospect in time when they become full-grown. They will just be so many human derelicts left to drift for themselves in the vast infinitude of happiness or sorrow, love or hatred we call "Fate". Count up those children along side-walks playing gleefully but with dirty faces and in tatters. These are the future lords of Hongkong whether we admit it or not. In my leisurely walk along streets, I have often had the affection of looking at these poor children, poor women too, with babies on their backs, sometimes with one or two small ones lumbering along and oftentimes amidst much cursing and scolding to make the sad picture look sadder still. And then there are also those wretched grown-ups who seem never to have any means of livelihood but who just somehow or other,

eke out a meagre subsistence to live to see wealthy people whisk along in gleaming autos perhaps with one or two mistresses to bring out more vividly the vast difference between rich and poor. That sight invariably makes me shudder. It is not rich men alone that will make up the weal of it; poor people have their part to play. But then can we go along with an empty stomach? It is so difficult to find a job that many simply have to go half-starved, companionless, desperate with nowhere to vent their grievance so that any time when their mental equilibrium is disturbed, their animosity will be brought forward in all its savagery by the killing of a friend or the stabbing of a foe as the case may be. But has anybody taken the trouble to just put some thought on the livelihood of the poor by fancying himself to be one among them to see how they live their lives in such a hopeless plight? I wonder if we could brave it as heroically as they do and be as orderly and law-abiding. This does not mean that we can leave them alone to shift for themselves. Something must be done on their behalf that their living might improve. The Chinese have said it right that order and peace can only be advocated in a society where everybody is adequately supplied in the matter both of clothing and food. Empty words would be of no avail. It must be something substantial and shorn of hypocrisy to win their hearts. The Chinese are a race of people who emphasize most on that abstract quality we call sympathy so that if we could extend to them the friendly hand from a warm heart, mutual understanding will be achieved.

First of all, we must give those who need a job badly for a living a chance to get one. They being of a hardy strain, the hardest lives would not seem hard to them if they be given the privilege to live through. Let them have a little more freedom to live their way of life within the LAW. Then they will rest satisfied with their lot which can well be manifested during Chinese New Year when everyone of them has chickens for dinner no matter how poor, plus that new year look with a new year face and that everlasting new year dream dreaming fortune ahead through the happy greeting of "Kung Hee Fat Choy." For, is it not true that every one of us is dreaming the dream that we like best? Some dreamed that they would make a fortune and have a beautiful house all of their own. Others dreamed of having a pretty girl as a wife. Still others dreamed of making a name for themselves at the expense of their own race like Adolph Hitler. Surely we are dreaming everyday and that old song "Mery, mery, mery, life is but a dream" portrays brilliantly to us what life means in a very terse and tragical way. The Chinese, too, knew this centuries ago, for, in his fine piece of writing on "Feasting in a Peach Garden during One Spring Evening", Li Po has clearly remarked that "Life is like a dream which will not last long for all the enjoyment we may get out of it. That is why people of ancient days go in for midnight revels even with candles in their hands."

Until now, I have been dreaming just the same and so I must go back to where I was about the question of the poor million of Hongkongites. Let us take it for granted that every one of them has got a job. That is only the physical side of their life. They must be given some sort of moral lesson to make them behave like good citizens. Such a step would be superfluous fifty years ago, for then the Chinese family code was in full force so that everybody would naturally bear himself well towards every other body as a matter of course. It is much to be regretted that this custom has largely gone; its revival is awaited with eagerness by all who have known its merits to be beyond estimation and comparison. I hope some day there will be people who would be most enthusiastic to initiate a campaign for

the restoration of this ancient Chinese custom for the moral upbringing of children right at home.

* * *

Next comes the question of relaxation in the form of good entertainment and not in such abject scandal as the playing of Mahjong, the smoking of opium, the visiting of bad houses, the reading of obscene stories, or the seeing of wicked movie films. The best would be the publication of a good newspaper that is devoid of rotten fiction or immoral photo prints. A pictorial on famous personalities in science, in engineering, in fine arts or in other morally uplifting categories and their achievements showing how science and the various branches of knowledge have advanced like the building of big airfields or the manufacture of our daily necessities would be very stimulating giving them a healthy chance to lose themselves in a world that is restful and refreshing getting them ready for the coming day.

The question of marriage together with its ensuing question of birth must now be taken up in order. Indeed it is such a question that nobody is immune from its effects. We must admit that the Chinese are a prolific race. Despite ravages from the Japanese attack and the present-day persecution, they are still steadily on the increase to our great dismay. Hongkong being overwhelmingly Chinese in its population, such an increase must be as inevitable as it is to be expected. One thing that is certain is that Chinese people get married without any thought on the future of their own children but only with the object of marrying at heart when they come of age, and that is where the trouble comes in. Think of the annual sixty thousand addition to the tiny Hongkong and you will be suddenly awakened to the seriousness of it. But that is a fact we cannot close our eyes to. See those kiddies running along side-streets and sidewalks in the daytime and tucked up at night in a bed that huddles eight? Their parents must be educated on their moral obligations toward them and society. It is not simply a question of feeding but that they must be decently brought up to be useful members or society will have failed in its make-up. Let their parents be frankly told of their duty and not just be given up to sexual gratifications whenever they please. The boldness to live up to the dignity of mankind for mankind's sake is a necessity notwithstanding that it is a matter of such a personal character. Over-population is already a grave enough problem of the nowadays world for those who run it, and the age for warfare to kill off humanity would have passed if it were not for the fact that food production has never caught up with human reproduction so that as long as humanity continues to mount, the stand-by to hold human expansion in check is still that of warfare. Therefore, as present day circumstances disclose, Hongkong's population increase must stop through, not the means of physical birth-control, but through a general moral awakening to the fact that a decent moderation in anything would be the safest course to take in life especially that between husband and wife. But then who will be so daring as to inaugurate this sacred move in the midst of these teeming millions? There is such a distance between the rich and the poor that a situation of unconcern seems inevitable. And that is where the danger lies. Building a house upon a foundation of loose sand is precarious enough. But betting Hongkong's safety upon the rich few would seem equally so if the poor be left to themselves. Politically they will fall an easy prey because of their simplicity of mind unless they are morally fortified not only in the form of a stabilized physical existence but also in their real understanding of one another so that in the event of something unanticipated happening to us, we shall not find ourselves in an awkward plight despite our determination to prepare for any emergency.

JAPANESE ECONOMIC REPORTS

FOREIGN CURRENCY BUDGET

The Government decided the foreign currency budget for the second half of the current fiscal year (Oct., 1956-March, 1957) which amounts to \$2,341,094,000. Of this amount, \$1,915,000,000 is for import of commodities and \$426,094,000 for invisible trade. This is the largest foreign currency budget since the end of last war. The budget shows an increase over the first half by \$229,105,800 in total including an increase of \$149,268,000 for goods import and \$79,837,800 for invisible trade. This brings the total foreign currency budget for entire fiscal 1956 to \$4,450 million, an increase over the 1955 budget by \$1,050 million.

Following are the outstanding points of the new budget: (1) The budget is aimed at importing sufficient quantities of various materials necessary for stepping up industrial production as well as for daily necessities. For this purpose, more materials for the production of steel, fertili-

zer, textiles, non-ferrous metals and petroleum will be permitted to be imported. This is intended not only to supply increased production but also to stabilize prices. Stress is placed, therefore, on materials for steel, non-ferrous metal and rayon yarn production, prices of which are soaring in Japan. (2) The scale of the budget for global imports which accounted for some 60% of the total in the first half was expanded to some 90%. This increase is aimed at making the foreign goods purchase on a more economic basis. In order to counteract the discriminatory import restrictions being adopted against Japanese commodities by some foreign countries, Japan will give flexibility to the operation of the import budget. (3) One of the tangible examples of flexibility in budget operation will be the expansion of reserves to approximately four-times that of usual years to \$210 million in the second half. Problematic import of rice also will be made by these reserves, as the rice harvest for this year is not exactly foreseeable as yet. (4) Liberalization of trade will be advanced another step by the expansion of the Automatic Approval import system. Newly included in the AA category are: banadium, molybdenum, manganese and ferro-manganese (only from Indonesia), pine resin (dollar area), cotton linter (dollar area) and lemons. (5) Allocation of currency for trading firms which were minor in the past will also be enlarged for better import standings. This applies particularly to the import of soyabeans and non-ferrous metals. Ratio of allocation to traders for soyabeans import will be made equal (formerly 30 per cent to traders and 70 per cent to makers) and for non-ferrous metals, the entire allocation will be made to trading firms as a matter of principle.

Import Budget for 1956

Items	(Unit: \$1,000)	Second half of 1956
Food		241,227
Salt and tobacco (state monopoly)		10,209
Lumber		12,360
Raw materials for daily necessities (hide, skin, fat, resin)		22,580
Textile raw materials		311,073
Fertilizer and their raw materials		41,045
Coal		57,297
Iron-steel raw materials		159,810
Non-ferrous metals and ores		75,700
Petroleum		100,760
Chemicals and their materials		9,455
Medicines		2,663
Machinery and metal goods		146,000
Raw materials for processing		39,000
Barter imports		13,500
Garrison goods		5,000
Reimport and additional payment goods		1,000
Miscellaneous—1		43,321
Miscellaneous—2		23,000
Automatic Approval imports		390,000
Reserves		210,000
Total		1,915,000

JAPAN'S TRADE WITH STERLING AREA

Japan's trade with the Sterling Area is being conducted in pursuance of the Anglo-Japanese payments and trade agreement. The governments of the two countries each year discuss the trade between Japan and the Sterling Area. The present trade arrangements were made after lengthy negotiations from June to October last year between the representatives of both countries. Since they were to expire at the end of September this year, negotiations are to be opened from October 1 in London for the arrangements during the next period. The following table shows the

figures of the trade between Japan and the Sterling Area since 1953. They have been increasing annually.

(Unit: £ Million)

	1953	1954	1955
Receipts	129.0	178.7	237.8
Payments	224.2	162.4	238.1
Balance	-95.2	16.3	-0.3

However, the trade figures for the last agreement period (from last October to September this year) show that the balance was extremely unfavorable to Japan, being estimated at approximately £60 million. Receipts are likely to amount to £260 million, while payments are £320 million. The unfavorable balance came as a result of Japan's extraordinary efforts for increasing imports from the Sterling Area, at the request of the United Kingdom. Because of this, there was a spectacular growth in imports far exceeding the rise in exports. A comparison of the export situation from October last year to August this year with the corresponding previous period shows that the export increase to the dollar area was 82 per cent, while that to the Sterling Area amounted to only 28 per cent.

Looking at the Sterling Area by countries, exports increased principally to Hongkong, India, Singapore, Britain, Nigeria, and Ceylon and exports to Australia, Burma, Pakistan, South Africa, Tanganyika, Gold Coast, etc. declined. Main commodities of which export increased were textiles, foodstuffs, metal products, machinery and wooden products. A comparison of the import situation from October last year to August this year with the corresponding previous period shows that while the import increase from the dollar area amounted to 61 per cent, that from the Sterling Area reached 66 per cent. Viewed by countries, all areas except Singapore and Burma increased. Countries from which imports rose conspicuously were Australia, India, United Kingdom, Malaya and Hongkong, the chief items being raw wool, cotton, scrap iron, oil, iron ore, wheat and other miscellaneous goods. As a result of the import excess, Japan's sterling holdings have recently fallen sharply.

JAPAN-GREECE TRADE

Trade negotiations between Japan and Greece were finalized. New trade plan was adopted providing for \$2,500,000 in trade each way in the period from April 1, 1956 to March 31, 1957. The trade between Japan and Greece had been conducted so far on the basis of open account formula and in accordance with the trade plan which is to be renewed every year under the Trade and Payment Arrangements signed in Athens on March 12, 1955. The old trade plan was to remain valid for one year only, ending on March 31, 1956. Under the new trade plan, the following are the principal exports and imports to be made by Japan:

Exports	(Approximate Amount)
Machinery and Parts	\$1,100,000
Metals and Metal Products	200,000
Pottery and Porcelain Wares	200,000
Canned Fish Meals	200,000
Imports	
Dried Fruits	\$1,000,000
Leaf Tobacco	500,000
Cotton	400,000

It was agreed that the credit margin of \$250,000 as laid down in the Payment Arrangement between Japan and Greece, signed on March 12, 1955, would be raised to \$500,000 as from Sept. 20, 1956, in order to expand trade between the two countries.

PANAMA-JAPAN RELATIONS

Trade and the heavy use of the Panama Canal by Japanese ships have been strengthening the ties between Japan and Panama. Japanese exports to Panama, chiefly vessels, have been increasing during the past five years to total \$22,394,000 in 1955. On the other hand, Japanese ships ranked fifth among the vessels of the various nations using the Canal in the 1954 fiscal year (July 1-June 30). Japanese shipping activities are expected to increase with the promotion of Japan's export trade to the Caribbean countries. The only Japanese organization represented in Panama today is the Foreign Trade Promotion Association. Prior to the war Japan had a legation and a consulate in Panama—which was the center of Japan's trade and shipping activities in the Caribbean area. A Japanese trade office, the Federation of Central and South American Export-Import Associations, shipping and commercial firms as well as influential companies operated by Japanese residents in Panama also existed in prewar times. Japanese exports to Panama were thus very active.

According to the Foreign Exchange statistics of the Bank of Japan, trade returns for the two countries in the past five years are as follows:

(Unit: \$1)

Year	Exports	Imports
1951	2,542,034	10,731,508
1952	11,966,764	2,428,708
1953	17,662,000	1,182,000
1954	2,569,000	2,826,000
1955	22,394,000	968,000

The huge import excess on the part of Japan in 1951 was due to purchase of old vessels as scrap from Panama. Japanese sale of vessels accounted for the greater part of the value of exports in 1952, 1953 and 1955. The value of exports and imports of the two countries by principal commodities in 1955 was as follows:

Exports: (1) Machinery—\$20,241,000 (Ships accounted for most of the exports. Other items were sewing machines, etc.) (2) Textiles and their products—\$1,261,000 (Synthetics constituted the largest item) (3) Miscellaneous—\$552,000 (Non-ferrous metals and their products—\$196,000 (Primarily ceramic and porcelain ware).

Imports: (1) Metals and metal ores—\$288,000 (Metal ore and scrap) (2) Machinery—\$11,000.

At present, Japanese shipping lines utilizing the Panama Canal include the Nippon Yusen, Osaka Shosen, Kawasaki Steamship and Yamashita Steamship companies. Out of a total of 7,784 vessels which passed through the Canal during the 1954 fiscal year (July 1-June 31), 387 were Japanese ships. Japan thus ranked fifth after the United States, Britain, Norway and Panama among the users of the Panama Canal. Relations between Japan and Panama are expected to become closer as trade with the Caribbean countries grow and Japanese shipping assumes a more active role in that area. Diplomatic relations between Japan and Panama have for many years been on a friendly basis. Postwar ties were formalized on February 20, 1953.

JAPANESE SURVEY OF BRAZILIAN WATERS

A Japanese fishery research ship set sail from Tokyo for Rio de Janeiro where it will survey waters off the coast of Brazil with the purpose of exploring the possibilities of tapping undeveloped marine resources. The Japanese Government dispatched the Toko Maru, one of the world's largest vessels of its type. The Brazilian Government is rendering support to the project. The four-month survey will gather

ECONOMIC LETTER FROM TOKYO

In its latest economic report, the Economic Planning Board again took note of continued strong investment inclination as is evidenced by 11.3% increase in July over June in new orders for machinery. Consumption demand as measured by consumptive spendings per family in all cities increased 2.5% at the same time, showing a gain of 10% each month since November last year as compared with the corresponding month a year ago. Propped by such a higher demand, industrial production in July increased 3.3% over June to a level 22.6% higher than the same period in the previous year. An outstanding feature of present economic expansion is an excess demand for capital goods as against surplus supply of consumption goods. This may be seen in the movement of wholesale prices. While the general index again rose 2.5% in August to September, it was mainly due to a rise in prices of iron and steel, building materials, machines, and other capital goods. Should the shortage in the supply of such basic materials be intensified by further investment demand, inflationary pressure might grow

data on all aspects of biological and oceanographic and related subjects.

Japan has maintained close relations with Brazil for many years in the fields of culture, commerce, emigration, etc. The two countries have also cooperated economically since 1930 through Japanese fishermen who operated in the waters off Brazil. Brazil's catch is the largest among Central and South American countries. Compared with the world level, however, there is room for development of the Brazilian fisheries. The sea off Brazil is favored by natural conditions and is considered a promising fishing ground. It embraces the mouth of the Amazon River, where fresh-water and salt-water join to provide rich and nutritive salt compounds; the Central Brazilian waters that abound in running fish of the Brazilian warm current; and the extensive South Brazilian sea shelf where the Brazilian warm current and the Falkland cold current meet. Scientific investigation and development to make this rich but unexploited fishing-ground a source of supply of protein to the people of Brazil in the form of fish and processed marine products will contribute immensely not only to the progress of the Brazilian fishing industry but to the improvement of the Brazilian national economy as a whole.

The Toko Maru is a 1,111-gross ton survey ship of the Fisheries Agency. The ship, completed in March 1954 and equipped with two main diesel engines of 300 HP each, is one of the largest survey vessels in the world. It is also equipped with all the necessary equipment for navigation, fishing and processing of catches as well as the latest scientific devices for oceanographic and biological surveys. Five survey officials make the trip. They will be assisted by professors of universities. The survey is to be conducted for 130 days from the middle of December 1956 until late in April 1957.

Emphasis will be placed on the catching of bottom fish by means of trawl fishing. Detailed tests will also be conducted on how to catch running fish by means of lift-net fishing and long-line fishing. At the same time, oceanographic and biological surveys will also be undertaken to give the experiments scientific endorsement. The research will cover classification, species composition and size composition of fish as well as plankton. The temperature, color, degree of water transparency, salinity, oxygen, nitrate and phosphate components will also be checked.

greater. Still, the Board doubts it leads immediately to a general inflation in the face of the surplus supply of consumption goods. The Board sees the need, on the one hand, of promoting import of basic materials for easing their shortages, and of postponing, on the other hand, in some industrial groups of investment programs till after next year so as to stretch out the investment demand for a long period.

According to reports made by 8 local bureaux chiefs of the Ministry of International Trade and Industry, industrial production generally is kept at a high level; foreign trade, both export and import, is brisk; domestic trade is also flourishing with prices a bit firmer. In short, business prosperity continues all over the country. Improvement may be seen even in small and medium-sized business enterprises. Yet, on the other hand, deficiency in the supplying capacity of such basic industries as iron and steel, non-ferrous metals, electric power, soda, sulphuric acid, etc. is noticeable, which together with a difficult transportation situation will prove a hindrance to economic expansion. Urgent need to take measures in meeting this situation was emphasized.

New orders for machinery received by 55 principal firms during July totaled ¥63,700 million or 11.3% more than in June and next only to ¥65,000 million in May. Domestic demand recorded the highest in the postwar period, while overseas orders also increased by 14% from June.

Finance Minister Ichimada expressed his views that signs of excessive investment are in evidence. While deficiencies are being felt more in iron and steel, transportation facilities and electric power among other things, investments continue very active, with the result of forcing prices upwards. That leads him to surmise that investments are going beyond the bounds appropriate to the present stage of economic expansion.

The Monetary System Investigation Committee started discussion on the desirability of instituting reserve requirement system. No conclusion was reached. While among members appointed from learned or well-experienced persons opinions were generally in favor of its institution, those representing commercial banks refrained from making their attitude clear, saying their decision, either pro or con, depends on the substance and details of what is required of them bankers.

Actual revenue from current fiscal year's taxes and stamp duty up to the end of August reached ¥378,333 million, or 44.6% of the budgeted amount. This is 4% better than the percentage of tax collection in the same period last year. Collection of income taxes, both declared and withheld at the source, corporation tax as well as commodity tax all made good showing reflecting general prosperity.

Bond issues by business corporations are unusually active of late, reflecting increased plant and equipment investments. Arrangements completed up to date for new issues of corporate bonds in October total 32 amounting to ¥13,900 million, which compare with ¥10,800 million for February last. It is the postwar highest record so far established and shows the enlargement of market for securities issue.

Foreign currency budget amounting to \$2,341 million for the lower half (Oct.-Mar.) of the current fiscal year was decided by the Gov't. The budget provides for commodity imports of \$1,915 million and invisible trade payments of \$426 million. The budget-size is \$299 million

CHINA'S TRANSPORT WORRIES

The Chinese railwaymen faced a very considerable job when they began to rehabilitate the railways after a generation of civil wars, natural calamities, invasions and other disruptions. Then, hard on the heels of repairs, came the emulation campaigns. Engine-drivers boasted of the many, many miles they had driven their engines without sending them to the repair yards; others how many coaches or cars they had piled behind the loco, or how many tons of cargo they had taken. There was a suspicion that the railways were being "worked to death" and that wholesale replacement of rolling stock would soon be necessary, for most of the rolling-stock antedated the war anyway. Now the complaint is congestion. The railways cannot carry the immense accumulation of cargo piled up at various centres—much of it for the new industrial centres and cities in the north-west.

What is more, it finds it harder and harder to cope with the vast number of people now travelling. The daily maximum of passengers at Peking's railway stations last year was only 28,000. The number had risen to 60,000 by August, a number without equal even in the Spring Festival days. The Railways Ministry has been forced to add nearly 1,000 temporary passenger coaches to various lines throughout the country. The addition of over 40 coaches to scheduled runs on the Paochi-Lanchow railway in August still failed to meet the traffic demand on that line. Many passengers waiting in stations east of Chengchow on the Lung-hai line could not book passage to Lanchow. Many others awaiting motor transportation to Szechuan had to wait their turns to Paochi. Boat passengers to Chungking were also numerous. Hotels in Hankow could only get two or three boat tickets apiece. Over 2,000 passengers travelling by boat westward from Hankow or points along the lower reaches of the Yangtze often found all the ships booked up and were stuck in hotels. Some had to spend all the money they had with them on hotel accommodation and found themselves in a fix. The same congestion was found at railway stations in Sian, Changchun, Dairen and other metropolitan centres.

Freight traffic was also bottled up along some trunk transport routes. Over 10,000 tons of goods consigned by commercial departments to points in Szechuan province by way of Shensi Province were piled up at Paochi. Large quantities of industrial supplies, including iron and steel goods, machinery, petroleum, and chemicals, destined for points on the upper reaches of the Chuen Kiang, were stacked up in Hankow. Aside from these backlogs, several tens of thousand tons of consumer goods consigned by the commercial departments to Szechuan in September were

awaiting transportation in Paochi and Hankow. Hence, the load was already too heavy for available traffic.

Industrial goods and construction materials destined for the North-west areas were also bottled up in a number of big cities for lack of transportation. Heavy freight traffic along the Chengchow-Lanchow railway tied up more than a thousand freight cars loaded with supplies. Several tens of thousand tons of drilling tools, steel goods, cement, lumber and general merchandise, destined for the new oil fields at Karamai and Tsaidam Basin, have also been held up at midway points because of the traffic jam. Supplies on the way to Yunnan and Kweichow provinces have also been held up at Chinchienkiang because of the poor traffic load on the newly restored Chinchienkiang-Mawei line.

Failure to get large quantities of supplies to their destinations on schedule has affected production and livelihood of the inhabitants in these areas. The cotton cloth market in Szechuan has already been cleaned out, while over 2,000 different kinds of general merchandise, and knitwear, have been in short supply in that province. Some basic-level merchandising units in the Sichong area have suspended their business because supplies have been cut off. The short supply of petrol has stopped motor traffic along the Chengtu-Yaan route. Over 200 trucks and more than 7,000 hand-drawn carts in Szechuan have been immobilised because of a shortage of spare parts. The pharmaceutical market in Kansu Province has been out of supply for over a month, while capital construction goods and flour have also been in short supply. Traffic tie-ups in certain areas in Honan, Hopei, Shantung and Anhwei provinces as a result of the great floods have cut off the supply of coal to civilian consumers. This state of traffic jam, it is emphasised, occurred during the latter part of the summer months when traffic is generally light. The situation may turn into a real crisis if urgent steps are not taken to cope with the traffic problem, say correspondents of the official news agency.

A lot of the extra passenger traffic is blamed on the movement of vacation travellers, especially the large numbers of students returning home during the summer vacation, as well as army officers on leave, officials recuperating in resort places, and the travelling back and forth of higher grade intellectuals, office staff and factory workers. Large numbers of family members of office staff and workers have to go to the North-west and the South-west areas to support construction projects there, while tens of thousands of people have to be moved to Kansu before the autumn sowing. In the railway department, the problem is aggravated by the fact that at the moment there is only one single rail line to haul a large amount of construction supplies from North China to the bases of new industrial projects in the North-west, with the result that traffic has become unusually heavy on trunk rail lines west of the Lung-hai and north of the Peking-Hankow railway. The situation is also complicated by the fact that the Paochi-Lanchow section is not in good condition and that its load is light. Since traffic on this section has to be stopped for seven to eight hours daily for repair work, large quantities of supplies have to be stacked at points along the Chengchow-Paochi section, while many travellers are also stalled. The new Chengtu-Paochi line is not yet open to traffic and therefore cannot help in the way of moving passengers and cargoes. Some people mistook the press reports of the linking up of the rail points at Paochi as the signal for through

above that of the upper fiscal half, and \$550 million over that of the corresponding period of the previous fiscal year. The large current budget was compiled with the aim of adequately fulfilling import demand necessary for meeting the healthy growth of the national economy. Outstanding features of the budget are: 1. Big increase in import of industrial raw materials in line with growth in domestic industrial production. 2. Further steps forward in liberalization of import were taken. a. The global budget was raised to about 80% of the total budget (About 60% for the upper half). b. Budget for the automatic approval system was upped by \$38 million over the upper half to \$390 million. Thirty new items were added to the automatic approval list.

traffic and accordingly lined up. According to information at present, it is still doubtful whether the Paochi-Chengtu line will be open to traffic this year because of the need to repair faulty engineering works along the line.

This is also one of the main causes for the acute tie-up of traffic along the Shensi-Szechuan highway. The limited number of trucks available for transport convoys also shares the blame for the highway traffic snarl. No large numbers of trucks can be expected from the Changchun Automobile Factory for some time. Highway freight traffic shows a 30% increase this year but the boost in the number of trucks available is only 9%. This inadequacy in transport capacity has aggravated the position, particularly in Sinkiang, Chinghai, Kansu, Szechuan, and Tibet. The gap between the supply of motor vehicles and the demand for motor transportation is widening. Available trucks have not been fully utilised and their transport potentialities not fully tapped. At least 30% of such vehicles have not been put to use, for need of repairs or lack of drivers. Most drivers have been engaged on two-shift schedules and thus trucks are left idle at night. On the average, 25% of the highway transport vehicles are under repair, and some are kept in repair shops for as long as one to two months.

Since the emergence of the high tide in agricultural co-operation large numbers of horse-drawn carriages, which formerly served for highway transportation, have returned to farm co-operatives. Moreover, many of the motor-car repair shops have turned to fixing up faulty ploughs, thus leav-

ing many car maintenance jobs unattended. The same traffic congestion has been observed at Chuen Kiang, the busiest inland waterway in the country. The jam is largely due to the limited number of large motorised junks that can negotiate this river. Port loading and unloading facilities along this waterway are also inadequate. The absence of an overall system linking rail, highway and inland river traffic has also precipitated the dislocation between rail and highway traffic and between river and overland traffic. Although the enforcement of the traffic link system throughout the country involves complicated and delicate plans, it will go a long way towards unleashing the transport potentialities of the State.

High functionaries of the State Council told the Press of their concern about the traffic congestion. Their spokesman said the General Office of the State Council had already warned all concerned of the heavy traffic to be expected during the Mid-Autumn and National Day festivals. The two Ministries concerned were taking emergency measures to break the traffic logjam along eastern sections of the Lunghai. Repairs on the Paochi-Lanchow line were to be postponed and additional runs made to clear the traffic. Work teams have been sent to Shanghai, Hankow and other ports to check harbour conditions. The Highway Administration have also decided to adopt three major steps to improve the situation, including the training of more truck drivers for two or three-shift systems; production of more trailing wagons if possible to step up loading capacity of cargo trucks; and shortening of car maintenance and repair time.

REPORTS FROM CHINA

Foreign Trade

Peking claimed that China's total trade in 1955 with countries in Asia and Africa increased 70% over 1954. Trade with India was over 5 times as much as in 1954; with Burma, 31 times; with Indonesia, more than doubled; with Egypt, more than trebled; with Pakistan, more than doubled and with Japan more than trebled. In addition to farm products and handicrafts, China exported industrial products including rolled steel, cement, building materials and cotton cloth. China also exported equipment for an over twenty thousand spindle textile mill to Burma. Enquiries were received for complete sets of equipment for textile, silkreeling, paper and gunny bag mills, sugar refineries, flour mills and match factories from Indonesia, Burma, India, Pakistan, Saudi Arabia and Cambodia.

The third Sino-Japanese trade agreement has been extended to May 4, 1957. The variety of commodities transacted had expanded year by year; compared with the first agreement there was an increase of 18 types of export commodities by China in the second agreement and an increase of 26 kinds of commodities of Japanese exports. In the third agreement the variety of Chinese commodities was increased by 50 kinds while Japan's export commodities were raised by 72 kinds. The amount of phosphatic fertilizer purchased by China this year exceeded the total amount exported by Japan in 1954. Cement imported by China this year accounted for one fourth the total amount exported by Japan. China also imported large quantities of Japanese vitamin C, sulfadiazine and streptomycin. 70,000 insecticide sprayers were recently ordered from Japan. According to the General Manager of China National Import and Export Corporation, during the first nine months this

year China ordered complete sets of textile machinery amounting to the total value of nearly £2 million.

From India, China imported goods worth over 65 million rupees during 1955/1956. Raw cotton, tobacco and jute products are China's principal imports. India is importing from China silk, newsprint, caustic soda, soda ash and other industrial goods. Under a new contract signed recently, India will import 60,000 tons of Chinese rice.

Agricultural Output

The soya bean harvest in Northeast China this year is estimated to reach 3,500,000 tons, 28% more than last according to a Peking report. This year, 3,200,000 hectares were sown to soya beans in the three northeastern provinces, an increase of 18% compared with 1955. Grain output of Heilungkiang this year is estimated at nine million tons, or 800,000 tons over last year. Total rice output in Liaoning is expected to reach one million tons, or 2.4 times that of last year. This year Liaoning's were acreage was expanded to 200,000 hectares, of which about three-fifths were newly reclaimed land. Cotton harvest in Shantung exceeded last year's by 30%. Peking boasted that Shantung's total harvest will reach 270,000 tons, more than the quota planned for 1957. Total output of tea in Fukien this year exceeds 7,000 tons, an increase of 27% over last year.

Peking's army units in Sinkiang have reclaimed 56,000 hectares of wasteland on the plains near the Tien Shan Mountains so far this year. Winter wheat has been sown on part of the newly-reclaimed land. Another 33,000 hectares are to be reclaimed before the end of this year. Since 1951, army units there have opened up 270,000 hectares of wasteland. Army units are now establishing 14 new state farms

to grow cotton and other crops along the banks of the inland rivers near the Tianshan Mountains.

Industrial Developments

Power Industry: Peking announced that China's power generating capacity this year would reach the 1957 level of 15,900,000,000 KWH. A great electric power network joining both hydro and thermal power stations able to produce and distribute millions of kilowatts of electricity has been planned. During the second five-year plan period, this electric power system will comprise the newly built Urumchi Hydropower Station and the projected hydroelectric power stations at the Sanmen and Liuchia gorges along the Yellow River, at Hsianankiang in Chekiang and along the Yili River in Yunnan. The present electric power network in the Northwest and the one linking Peking, Tientsin and Tangshan will be expanded. Thirty-two major power stations have gone into full or partial operation in China so far under the first five-year plan. More than 2,900 kilometres of transmission lines have been laid since 1953. Of the 69 major power stations scheduled to be built in China under the first five-year plan, 63 are already under construction or have been completed.

Coal Mines: A new shaft mine is being constructed at the Fengfeng Colliery in Hopei, some 400 kilometres south of Peking. Work on another shaft mine will start soon at the colliery. When both are completed in 1959, they will raise the annual output of the colliery by two-thirds. Six new coal pits are being built and two rebuilt in Shensi and Kansu. When completed, the annual coal output in these two places will be three times more than at present. A new coking coal-field with an area of 320 square kilometres has been discovered in the border region between Kansu and Inner Mongolia. It contains nine seams, the thickest being 12 meters. A railway link between the coal-field and the future steel centre of Paotow is being planned.

Petroleum Industry: Crude oil is now gushing from the first test well sunk in the northern part of the Tsaidam Basin in Chinghai. Large-scale drilling will soon be carried out in this area. Oil has already flowed from 12 test wells in other oil-bearing structures in the Tsaidam Basin. Nearly 100 structures have been discovered in the basin since oil prospecting began in 1954. The biggest structure extends

over more than 1,000 square kilometres. Crude oil also gushed from 26 test wells in the Karamai oil-field. The Yumen oil-field has been found to extend over a larger area than previously estimated. More than 200 oil-bearing structures and several hundred oil seepages and natural gas indications have been located in Szechwan, Kweichow, Kansu, Inner Mongolia and a number of other provinces in the past few years. Three rich natural gas fields have been found in the Szechwan Basin.

New Plants: An oil drilling equipment plant is being constructed in Lanchow. During the past few months roads and branch railways to the construction site were completed. The plant will have 14 workshops; installation of machinery will begin next year. The Peking State Electronic Tube Manufacturing Factory started production last week. The factory is equipped with machinery from USSR. A new cotton mill with 100,000 spindles and 3,200 automatic looms in Shensi was completed recently. The 5th new cotton mill for Chengchow under the first five-year plan is now under construction. When this 80,000 spindle mill is finished in 1958, Chengchow will become a bigger textile centre than Tientsin at present. In Kwangtung, construction work has begun on 6 big sugar refineries which will have a combined annual production of 350,000 tons. They include the Pakkai Sugar Refinery which is being built with Polish aid and the Wah Kiu Refinery with aid from Czechoslovakia. The Pakkai Refinery will have an annual output of 70,000 tons and the Wah Kiu Refinery 45,000 tons.

Optical Glass: Two types of optical glass—dense barium flint and dense barium crown—have been made for the first time in China by the Laboratory of the Instrument Technology of the Chinese Academy of Sciences. These types of glass are used to make telescopes, microscopes, theodolites and cameras. Recently the laboratory succeeded in making lenses for cameras.

Overseas Chinese Investment Company: An office was set up in Shanghai to prepare for the establishment of the Overseas Chinese Investment Company. It will be a state operated trust company through which overseas Chinese may invest in local construction projects. Peking promised that an 8% annual dividend will be paid to overseas Chinese shareholders and they can retain ownership of their capital even after socialism is built up in China.

REPORTS FROM BANGKOK

Rubber Market

There is divided opinion in trade circles whether Thailand should sell rubber to Communist China. Some merchants entertain the view a rubber market in Communist China might mean higher prices; others believe it would be of no benefit to Thailand to sell rubber to China, which country has been mainly bartering goods for rubber and paying only for part in sterling. The rubber trade is speculative and sensitive. When it was announced that Malaya would sell rubber to China the price rose. When China did not come out with an offer and reports circulated that China would not be buying more rubber this year, the price declined. If China finds that there are more sources of supply available, it would not pay three-cent per pound higher-than-market price it has been paying Ceylon.

Synthetic rubber production is increasing in the United States. It may affect Thailand's sales to that country.

Since trade with Japan was freed (changed from open account to normal trade) Japan has not been buying Thai rubber. On the whole, rubber prices this year have been lower than last year. More than 90 percent of Thailand's rubber go to the United States. Out of a total of 132,270 metric tons exported last year, 128,254 tons went to the United States. Other customers included the United Kingdom, Malaya, Australia, Japan, West Germany and Hongkong. During the first five months of this year, 52,326 tons were exported, compared with 52,283 tons in the same period last year.

A former premier turned trader, Rear Admiral Luang Thamrong Nawasawat, said that rubber trade with Communist China "would be disadvantageous to Thailand, because we already have a good market with the United States and it would be only beneficial to the Chinese Communists." He estimated Communist China's Rubber needs at one million tons, annually.

Tin Market

Mr. L. E. Putnam, representative of Federal Facilities Corporation (formerly Reconstruction Finance Corporation), started buying tin ore for the Texas Smelter. This is the first time the US is buying tin since March 31, when the last purchase agreement expired. Local tin price has been steady, around 1,700 baht per picul.

Merchants have mixed opinions concerning Thailand's joining the international tin agreement. Some expressed favor, others said that "Thailand is a small producer, exporting about 10,000 long tons of tin-in-ore per year, and would not be much affected in a world surplus market." When Thailand ratifies the tin agreement it would have to invest 1,200,000 pounds sterling—a big sum of money which the Government does not have at present or cannot afford to turn over in the buffer pool. Re-entry of the US into the tin market is expected to improve the dollar shortage in the local money market since tin is one of the chief dollar exports. Although there has been a shortage of dollars, partly due to the temporary withdrawal of the US from the tin market, dollar exchange rates have been kept steady by the equalization fund of the Bank of Thailand.

Chief Minister Tengku Abdul Rahman urged the Thai government to consider joining the International Tin Agreement. The Federation government felt it was vital that Thailand should join the agreement in order to safeguard the industry as a whole. Malaya's contribution to the International Tin Agreement buffer stock will be made by the government, then repaid by a levy on the tin industry. The scale of contributions provides that when the price of tin is no more than 230 Malayan dollars a picul, the contribution will be 12 dollars. From 320-340 dollars, the contribution will be 15, then every increase in the price by 20 dollars will increase the contribution by three dollars.

Better Information Wanted

Is Thailand about to enter a period of recession? With the ever-increasing volume of business at the present time, it does not seem plausible that there could be a recession in the immediate future. Nevertheless the Government seems to be worrying about the so-called over expansion of credits by the commercial banks, as was evidenced by the large influx of imported goods. This was the cause for the business failure of several firms. These firms acquired excessive loans from the banks and were unable to dispose of their goods in time because of the large influx of the same types of imported goods which commanded very low prices. The smuggling of various goods into the country has contributed directly to the failure of those firms. Smuggling is rampant; so is still official corruption.

In order to remedy the situation, the Government, besides tightening up control over the expansion of credit by the commercial banks, is considering to provide the public with more trade information, such as current import statistics, trade conditions in foreign countries, etc. with the hope that when the merchants are better informed, they may be more rational in conducting their business. Whether such a solution contemplated by the Government would directly or indirectly solve the problem is hard to predict. However, one thing is certain that trade statistics if timely published will be useful beyond expectation.

Taiwan Trade

Thailand suffered an unfavorable balance of over four million US dollars, or 20 million baht, in trade with the Chinese Nationalists on Taiwan. Last year Thailand imported from Taiwan goods totalling \$4,500,000 worth of goods while Taiwan imported from Thailand only \$354,000

worth. Three million dollars of imports from Taiwan were sugar while the other imports were tea leaves, paper, camphor and liquor. Thai exports included beans, gum, rubber, rubber products, raw and tanned leather.

A member of the visiting Chinese Nationalist mission called on Luang Thawin Sethapanitkan, Undersecretary for Economic Affairs to discuss Thai-Taiwan trade. The discussion concerned trade between the two countries, with Thailand suffering an unfavorable balance. Luang Thawin pointed out to the representative, Mr. Chen Ching Men, that Thailand expects to be able to produce sugar for its own use in the next year and may stop import from Taiwan of tea leaves. Mr. Chen said that Taiwan has other industrial products like textiles for export to Thailand, and said that Taiwan would consider purchase of iron ore and rubber. Mr. Chen talked of plans to appoint a special official in Taiwan to keep watch on Thai-Taiwan trade.

Trade Bans

The Government is considering further restrictions of trade for Thai nationals. Following occupations are under consideration for restriction: broker; importer; exporter; sawmiller; ricemiller; smelter; rubber smoker; transport occupations; teacher; doctor; pawnshop operator; tobacco planter; grocer; food shop operator. The Foreign Ministry has given the opinion that three may be restricted, without affecting international treaties. They are: broker; doctor; and tobacco planter. However, the Police and the Public Welfare Department are studying the question with a view of assisting the Thai against alien people.

China Trade

Concerning trade with Communist China, former premier Khuang Abhaiwong, said that the Government should consider these two problems before making final decision: 1—What is Thailand going to get in return for sending rice and timber to Communist China? 2—How will resumption of trade with Communist China affect international politics and how will this in turn affect the position of Thailand? Will it be beneficial for Thailand in this respect or will it have the opposite effect? Nai Khuang does not intend to answer these questions. However, he said: "In return for rice and timber will Thailand get sterling or dollars? Or will we get dried vegetables, dried cuttlefish and thermos flasks?" The former Premier said that the Government should not free private merchants to trade with Communist China; conditions should be placed regarding such trade; the Government should ensure that Thailand does not lose in trade with China, that is, does not have an unfavorable balance in such trade.

Premier P. Pibulsonggram has declared "it would be disadvantageous for Thailand to trade with Communist China." He said that, in addition to risk involved in trade with a country with which Thailand has no diplomatic relations and where there do not exist facilities to ensure payments, Thailand would lose in trade with Red China, since Red China is itself competing in rice and other products in Thailand's markets. Communist China would be able to sell Thailand chiefly dried vegetables required by only two or three million people in Thailand (Chinese) and other goods which Thailand already has. Thailand sells all its rubber production for dollars. The Premier said that Red China has two objectives—it wants to be recognized; it wants to get admitted into the United Nations. He added: "All this talk might be helping Red China."

While the Thai Government is prepared to re-establish normal trade procedure with Communist China and North Korea, with exception of strategic material exports, Premier P. Pibulsonggram and Police General Phao Sriyanond, De-

CONTEMPORARY BURMESE CULTURE

By Htin Fatt

U Nu, while Foreign Minister under the Japanese regime, said at the inaugural meeting of the Japan-Burma Cultural Society in 1944: "It may be argued that Culture is not necessarily a matter of material things, that is to be found in the ways of a people's life, in the workings of their minds and hearts and in their manners. Nevertheless, to my mind, material evidence of culture, especially the culture of a people, whose lives have been disrupted by the accidents of political history, is a necessary factor in any appraisal of it. A vital difficulty that faces the would-be delineator of Burmese culture lies in the lack of continuity and the sudden inrush of alien influences swamping original standards and values, that happened with the domination of the Burmese by the British. Burmese culture, in its purity, in its impetus, and in its manifestations, practically came to a halt towards the end of the last century. The fifty or sixty years that elapsed between then and the present time have been a hiatus, a break in the continuity of

our culture. During that hiatus we experienced an upheaval of values, social, economic and cultural."

These words were uttered eleven years ago. Today U Nu would no doubt add that the domination of the Burmese by the Japanese wrought more havoc in uprooting our social, economic and cultural values within the short space of four years than the British did within a century. But it is a happy augury for new Burma that, realising the hiatus caused by historical accidents, she is forging ahead with the task of reviving her tradition and culture in relation to her present-day political, social and economic problems.

I shall deal only with the politico-social aspect of the cultural revival of today. To understand contemporary history, we need to trace the development of Burmese culture, its sources and primitive forms. Burmese culture is based on Buddhism. Even the casual observer can see that the chief influence that has permeated Burmese culture, whether in the visible forms of expression or in the Burmese way of living, is Buddhism. The historians say that Buddhism reached Burma in the second half of the 11th century A.D. round about the time of the Norman conquest of Britain. But that was Theravada Buddhism. Even before that period Mahayana Buddhism had greatly influenced our fore-fathers. Regarding the Pyus it may even be said that they were already practising the Hinayana canon of Buddhism by the sixth century A.D. Excavations near Prome have unearthed among other things a Pali manuscript on gold leaf written in the Kadampa script of Southern India. Archaeologists say that it belonged to the 5th century Pyu civilization. It is evidence of the Indian influence that is traceable in the early periods of Burmese culture.

With the introduction of Buddhism, the idea of national unity was born. Burmese primitive society is very complex and elaborate, yet it is unstable. The social organization was feudal, rather than territorial. We had the fisherman's villages, cultivators' villages, villages of the drawers of palm juice, cavalry villages, musketeer villages and so on. Everyone was presumed to belong to some village or athin (group). There were two main divisions, the amhudan, or people liable to regular public service, and athi, the freemen. In spite of the Indian influence there was no caste system; but as there were, besides the Burmese, numerous other indigenous races, the complex and obstructive regimentation, combined with the feudalistic outlook of the people, made the Burmese social structure unstable. Yet when Buddhism was introduced, King Kyansittha set himself to the task of unifying Burma under the banner of Buddhism. Then only did the Burmese assumption of sovereignty over Burma take place. Having set the pace, Kyansittha was followed in his example by other kings, and had it not been for the historical accidents to which U Nu referred in 1944, the present-day objective of national solidarity would have been achieved by now.

In olden days, the Burmese system of government was absolute monarchy. The conception of monarchy was originally derived from India. It is believed that the first kingdom of Tagaung was founded by one of the sakra kings. They brought certain ideas which have since then largely shaped Burmese political thought. For instance, the idea of an elective king, Maha Thamada, comes from Mahavamsa. The election of Sale Ngakhwe and Taungthugyi by the people as their king appears to have been very much in-

puty Interior Minister and Director-General of the Police Department, made conflicting statements about traders' visits to Communist China. The Prime Minister said that traders should be able to go to Communist China, so long as they do nothing to break the law. General Phao said that he would not approve passports for Communist China.

Foreign Investments

Following allegations that foreign investors fear to do business in Thailand because of corruption and because they have to give shares to important people, Premier P. Pibul-songgram ordered a statement of policy of the Government concerning foreign investments. The statement says that:

1. The Thai Government has the definite policy to promote industry in Thailand. Last October 21, the Industry Ministry issued a statement on principles and methods of promoting industry, of which this is important: "Thai or foreigners may freely invest in industries in general, whether the investment is totally Thai or totally foreign. . . The Government will not interfere and will not give special privileges to anyone, including even government organizations engaged in the same kind of industry." 2. Through its policy it may be seen that the Thai Government considers foreign investments in Thailand important and is ready to welcome investments which will produce good results economically for Thailand. Many foreigners have invested in Thailand. 3. The Thai Government realizes that corruption is damaging to administration of the country, including implementation of the policy to promote investments in industry. The Government considers it important to suppress and prevent corruption in government circles through improving methods of control and administration. Those found corrupted have been punished in accordance with the law. 4. The belief that foreigners have to give shares to important people to obtain facilities is a misunderstanding, as can be seen from the above-mentioned government policy to promote foreign investments. The Industry Ministry statement mentioned that prospective investors may obtain information from the secretary of the Industrial Promotion committee. 5. If any investor meets with obstacles he may bring the matter up before the Administrative Inspection Department for consideration in order to get rid of the obstacles.

fluenced by the political philosophy of Mahavamsa. It is a matter for research, however, as to when and how the divine origin of kings came to be accepted by the Burmese people. In the history of the Pyus there is a reference to Pyusawhti being the son of a naga (a fabulous serpent or dragon) princess wedded to the Sun God. The idea of adiccavamsa—descendant of the sun God—was born of this fable. With this divine origin naturally came the divine right of kings. But the Burmese of the Pagan period were more democratic in outlook than the Pyus of the Pyu period, or the Burmese of the Bodawpaya period. One of the kingly virtues is not to go against the will of the people. The political philosophy of King Wethantara's father that he should banish Wethantara, who went against the popular will, appeared to be accepted in principle by the Pagan kings. In fact, without this popular will, I don't think Pagan would have been built in all its glory. During the Pagan period, kings assumed the title of "Lord of the Water and of the Earth", while kings of the post-Pagan era supplemented it with "Lord of Life". Here again it is a matter for research as to what extent the Pagan period was monarchic; but it is possible to discover in the Pagan inscriptions some evidence of democratic thinking of the people of that period.

Burmese kings could be dictatorial and despotic when they liked, just as any king in any country's history. But the teachings of Lord Buddha and political conceptions of Indian purohitas who drew their inspiration from Buddhism wrought a great influence upon them. Burmese literature abounds in *nitis* (code of conduct or ethics). Good kings heard good counsel and abided by them. They revered wisdom. This certainly is the influence of *mangala sutta*, the 38 beatitudes of life. The purohitas compiled many *nitis* for the kings and their royal subjects. There is one *Rajaniti* compiled by Ganamissaka and his friend. Another called *Canakya niti* is still popular. The most influential *niti* is *Lokaniti*, compiled by a Burmese Minister by the name of Caturangabala in the reign of King Thitathu (14th century A.D.). According to him, society is one big family living in harmony under the leadership of a ruler. He sets out in his *Lokaniti* a course of human conduct leading to the formation of an ideal state where the ruler and the ruled live in perfect harmony. The intention of this *niti* appears to be to curb the royal desire for absolute power which invariably leads to absolute corruption. *Rajaniti* is certainly "power-politics", and *Lokaniti* is what Vinoba Bhave interprets as "popular policy". In other words, *Rajaniti* is the politics of the kings, whereas *Lokaniti* is the politics of the *ludu* (mass). That seems to be what Caturangabala was driving at when he compiled his *niti*. The ideas in *Lokaniti* were further developed in the 19th century in the "*Rajadhamma Sangaha Kyam*" by Yaw Atwinwun U Hlaing who envisaged for Burma a constitutional monarchy with two Chambers of Parliament to be elected by the people. Although U Hlaing drew his inspiration from the British Parliament, his fundamental political ideas were based on Buddha's teachings on the occasion of the quarrel among the princes of Licchavi.

To sum up this part of the observation on the development of Burmese culture, it may be said that Buddhism gives the individual Burmese a humane outlook on life. Socially, it gives the Burmese ritualism from which is derived self-discipline. *Mangala sutta* as a way of life is now being revived. Revival of Buddhist religious fervour means revival of culture.

At one time we were in danger of losing our traditions. We were threatened with an upheaval of social and cultural values. But now we see much of the revival of traditions

and re-assessment of old values. It was through Buddhism that we have the pagoda-architecture of Pagan. The Ananda, the Shwezigon, and the Thabgyinnyu are living monuments to the glory that was Burma. The wealth and beauty of the Ananda pagoda's sculpture with its green-enamelled terra cotta plaques, portraying Mara's army, and the bas relief, portraying pilgrims, are social documents of the highest importance. Regarding painting we have the vivid frescoes of Nagayon, Kupyaukkyi and Abeyatana done in mineral colours. Today artists in Burma are trying to recapture the spirit of Ananda, Thabgyinnyu, Shwezigon, Nagayon, Kubyaukkyi and Abeyatana. The architectures, paintings and sculptures of the Pagan period denote absolute faith in the Dhamma and promotion of Sasana. This spirit is revived with a new significance; that is, faith in the progress of the country.

When we are dealing with Burmese cultural arts, mention must be made of the Burmese stage and Burmese literature. Both draw their inspiration from the Jataka stories. The Burmese stage in its classical form still survives today, but the impact of western civilization has somehow changed its original pattern, although its fundamental are still being retained. In fact, in music and dancing, we see much of the revival. The revival of *dobai* folk-music and of *yodaya* dance is very much in evidence. The modern Burmese stage tries to set up a standard of its own; but it too bows to the spirit of the times and has to adapt itself to the present day movement of a cultural revival.

In Burmese literature, the metrical compositions called *pyos* still predominate as classics. They deal with the Jataka stories. Some even attempt to expound Buddhist metaphysics. After the *pyos*, the *ratus* were in vogue in old Burmese literature. Now the *ratus* are being renovated and modernised. Modern poetry attempts to improve upon them. With the impact of western influence, at the beginning of the century, Burmese novels appeared on the literary scene. At the beginning they were just adventures into new literary forms; but they are now quite established. The theme of Burmese poetry tends towards patriotism, as evidenced by Thakin Kodaw Hmaing's works. Most of the modern poets of today are influenced by Thakin Kodaw Hmaing and despite their claim to ultra-modernistic trends, they cannot as yet break themselves loose from the patriotic theme on which he harps again and again. But when it comes to novels, the present day trend may be said to be socialistic. The young novelist of today has evinced much interest in the improvement of the society in which he is brought up. He tries to analyse in his own way the social ills that lead to the disintegration of society. He then tries to find out ways and means to put a stop to those ills and set up a "heaven on earth". He is young and precocious. He hasn't seen much of life. But he is very serious. Had it not been for the sense of humour inherent in him as a Burmese, he might even pass for a frustrated old man at so young an age. He has all the attributes of old age except maturity. Nevertheless, he is also doing his part in the revival of traditions and culture, and the only sorry part of the story is that in spite of the admirable trend he is taking, he seems to be suffering from an ideological dyspepsia.

Unless the present generation can give proper guidance to the succeeding one, the cultural revival which we are now speaking of will come to naught by the next generation, unable to resist the tide of various and conflicting foreign influences which the young men of today cannot properly resist.

THE UNIVERSITY OF RANGOON

The University of Rangoon, the only university in Burma, was founded in 1920. Before that its predecessor Rangoon College was affiliated to Calcutta University whose examinations were taken by the students at Rangoon. The University of Rangoon before the war was of the 'federal' type, with the University College, Judson College (named after a prominent American missionary), Medical College and Teachers' Training College as constituent colleges. At Mandalay there were also an Intermediate College and an Agricultural College. After the war, the University became 'unitary' and, instead of constituent colleges, is now composed of the faculties of Art, Science, Engineering, Medicine, Law, Education and Agriculture. The Intermediate Colleges at Mandalay was raised to a degree-giving status and two new Intermediate Colleges were opened at Moulmein and Akyab.

Before the war, there were in the University 2,300 students of which 350 were women. The university population has increased since the war, particularly as a result of the institution of the matriculation examination which is open to all students who have attained the age of sixteen. The number of students has now approached four thousand and there is today a higher proportion of women students than pre-war.

The medium of instruction being largely English, part of the teaching staff was recruited pre-war from the University of London and some leading Indian universities. In the post-war period, the faculties were staffed almost entirely by Burmese who had been trained mostly at British and American universities. The University has generally maintained fairly good academic standards, especially in its honours courses. In particular, its medical and forestry schools were noted for the excellent instruction they gave, and the latter attracted a few students from Thailand before the war.

The most notable contribution of the University in the past lay in the political field. The students' strike of 1920 marked the political awakening of the Burmese nation and started off the nationalist movement for independence which

was later accelerated by two further students' strikes of 1936 and 1938. The University Students' Union, the centre of students' political activity, served as a meeting and training ground for the leaders of today, including the late General Aung San, the former Premier U Nu, U Ba Swe, U Kyaw Nyein, etc. The ruling Cabinet is called the Boycotters' Cabinet.

The University is built around the beautiful Inya Lakes a few miles out of the city and forms a most pleasant and almost self-sufficient campus. There are now nearly twenty students' hostels, for both men and women, accommodating students coming from all parts of Burma. There are on the campus a convocation hall, a Buddhist assembly hall, a Baptist chapel, and a sanatorium, apart from what was pre-war the best South-east Asian library (unfortunately largely destroyed during the war).

The University of Rangoon is expanding fast, in its student population, field of studies, physical and other teaching facilities. There has been in the post-war years a large increase in the number of students enrolling for science courses especially in medicine and engineering, a welcome development in view of Burma's acute shortage of doctors and engineers. The Faculties of Engineering and Medicine have established close relations with the M.I.T. and the University of Pennsylvania in the United States, and a joint Rangoon-Hopkins Centre for South-east Asian Studies has been recently set up. The expansion has of course presented problems of over-crowding of hostels and class-rooms, and the shortage of competent teachers. The continuance of the tradition of political activity at the University Students' Union has disturbed the peace and quiet so essential to the pursuit of higher studies. The increasing dependence on the Government for its financial resources has somewhat undermined the independence of the University. However, all things considered, the wider spread of higher education in Burma is too much advanced by the increasing needs for highly trained personnel of a newly independent state and the fast expanding economy of Burma today.

CEYLON'S TRADE

Ceylon's external trade during the first six months of 1956 resulted in a favourable trade balance of Rs. 83.2 million. This result must be considered poor in comparison with the large balance of Rs. 224.7 million in Ceylon's favour for the corresponding period in 1955. Income from exports in the first half of this year declined by Rs. 110 million while import expenditure increased by Rs. 32 million when compared with figures for the first half of last year. The decrease in export income was due mainly to less favourable prices paid for Ceylon's domestic exports. Imports of food this year cost less than they did during the first half of 1955 but expenditure on chemicals, manufactured goods (chiefly textiles, base metals and manufactures of metal), machinery and transport equipment increased considerably. Particulars are as follows (in Rs. million):—

	First half 1955	First half 1956
	(in Rs. million)	
Exports of Ceylon merchandise	914.7	804.4
Re-exports of foreign merchandise	85.3	86.7
Imports of foreign merchandise	723.9	756.1
Balance of trade in merchandise	226.1	85.0
Exports of bullion and specie	—	—
Imports of bullion and specie	1.4	1.8
Total visible balance of trade	224.7	83.2

Exports.—About 175 million pounds of tea were exported this half-year compared with 168 million pounds in

the first half of 1955. The average price fetched this year was Rs. 3.00 per pound compared with Rs. 3.65 in the corresponding period last year, and the export income from tea consequently declined by about Rs. 90 million. Among the bigger buyers, the United Kingdom, South Africa and the U.S.A. remained strong buyers but purchases made by Canada, Australia and Egypt were well below figures recorded for this period in 1955.

In contrast with tea, physical exports of rubber this year have been smaller and export prices better on average but the increase in price has not been sufficiently large to offset the decline in the quantity exported. The decline in export income from rubber amounted to Rs. 21 million and the sum of Rs. 133 million earned from this source of income in the first half of 1956 represented about 16 per cent of total export earnings. China absorbed a larger proportion of our rubber exports this year but other countries were less interested in our sheet rubber since prices paid by China during the period were above world prices.

Coconut products accounted, in aggregate, for Rs. 89.4 million or Rs. 6 million over income from these products in the corresponding period of 1955. Larger quantities of copra, coconut oil and desiccated coconut have been shipped this year but the increase in export income was not proportionate to the increase in export quantities. The United Kingdom has doubled its purchases of coconut oil but Pakistan has taken no oil from Ceylon this year though she absorbed 51,400 cwt. in the first half of 1955.

Imports.—Though expenditure on total imports for the first half of this year increased by Rs. 32 million, imports of food cost less than they did in the first half of 1955. Against a bill of Rs. 311 million for food items in the earlier period, imports of food this year cost Rs. 284 million. Landed costs of rice and flour were less this year and quantities imported have been on a slightly smaller scale. On the other hand, sugar has cost Rs. 23.71 per cwt. compared with Rs. 21.97 in the corresponding period of last year but, since a smaller quantity was imported this year, total expenditure on this account has been less. The largest suppliers of rice, flour and sugar were Burma, Australia and Peru respectively.

Piecegoods of cotton and silk have not only been more expensive this year but larger quantities have been imported,

and the additional cost to the country in the six-month period was as much as Rs. 11 million. The major portion of these articles continue to be supplied by Japan. Over 400 more motor cars were imported in the first half of this year at an additional cost of Rs. 3 million. The United Kingdom supplied 63 per cent of the vehicles imported in this period.

On a country-wise classification of exports and imports during the six-month period, the United Kingdom continues to be best customer, absorbing 31 per cent of exports and supplying with 24 per cent of import requirements on a basis of values. Second and third places were taken by China and the U.S.A. in respect of exports and by India and Burma in respect of imports.

PRINCIPAL EXPORTS

	Jan./June, 1956		
	Quantity	Value Rs. Mil.	F.O.B. value Rs. Cts.
Tea	174.7	525.1	8.00 per lb.
Rubber*	87.2	133.3	1.53 " "
Fresh Coconuts	8.8	.8	— .26 " nut
Copra	338.8	16.3	41.94 " cwt.
Coconut Oil (raw)	876.5	49.9	57.04 " "
Desiccated Coconut	491.9	23.2	47.21 " "
Cocoa	30.7	5.0	163.92 " "
Cinnamon Quills	17.1	6.2	363.52 " "
Plumbago	98.7	3.2	32.93 " "
Citronella Oil	608.0	2.8	3.86 " lb.

*Excludes Rubber latex.

PRINCIPAL IMPORTS

	Jan./June, 1956		
	Quantity	Value Rs. Mil.	C.I.F. value Rs. Cts.
Rice	3.4	96.6	28.68 per cwt.
Flour (Wheat)	2.1	39.4	19.15 " "
Sugar (Refined: other sorts)	1.3	30.0	23.71 " "
Cotton Piecegoods	36.8	39.3	1.07 " yd.
*Art Silk Piecegoods	20.8	21.6	1.06 " "
Fish (dried or cured and Maldivian fish) ..	337.7	29.9	88.54 " cwt.
Dried chillies	128.2	10.8	84.38 " "
Fertilisers (sulphate of ammonia)	1133.1	17.9	15.76 " "
Motor Cars	2701	15.8	5840.96 each

*Fabrics of synthetic fibres and spun glass.

HONGKONG NOTES AND REPORTS

Hongkong Tourist Association

The working committee on tourism appointed by Government in August last year published a report early this month recommending that (1) a Hongkong Tourist Association should be established; (2) its membership should be confined to those directly concerned with the industry and to trade associations; (3) the sum of \$3.7 million should be granted by Government over the initial 3-year period to finance the establishment and operation of the Association; (4) the Government Public Relations Office should be authorized to spend up to \$100,000 of this sum on regional advertising and \$300,000 on visual publicity other than advertising; and (5) that Hongkong should join the International Union of Travel Organizations and the Pacific Area Travel Association. During the initial period of three years, the Board of Management will be appointed by Government and the Association will have official status.

These recommendations have been accepted by Government with the exception of those concerning the financial provision for the first 3 years. Government will first nominate the Board of Management and at the same time look for a qualified Executive Director. The financial provisions will be discussed after the Board is appointed. About 250,000 tourists from all parts of the world came to Hongkong and spent over 160 million dollars last year. The committee's report pointed out that the tourist industry is already second only to the textile and clothing industry and it has one peculiar quality which makes it particularly important to the general economy of Hongkong—it is much less susceptible than other local industries to protectionist policies in the 'importing' countries or to the pressure exerted by competing interests within these countries. However, there is much to be done to improve this Colony in order to attract more visitors; the immigration laws for tourists should be eased; the touting which prevails throughout HK and Kow-

loon should be stopped; more hotels should be built; and shop-keepers should treat tourists as customers not as suckers.

Building Developments

While the construction of new buildings slowed down on account of the increased building cost, the gradual decline of monthly rent and the restriction imposed by Government against flimsy structures, transactions in old buildings remained active. One 3-storey, old, wood-and-brick structure on Queen's Road Central was sold to an investment company at HK\$150,000 last week. The monthly rent from this building nets a total of \$600 yielding an annual income of \$7,200 which is equivalent to an interest of 5% per annum on the capital of \$150,000. Many tenants of old buildings who had been enjoying low rent during past years, recently offered to pay higher rent if their landlords would turn down re-development propositions from real estate speculators. Government has not yet set any date for the second reading of the Bill allowing a further increase of the standard rent (the pre-war rent) of business and domestic premises and the decontrol in 1959 of all business premises and those domestic premises of which the pre-war rent is over \$199. Recent developments indicate that if the Bill is passed, construction of new buildings will slow down especially when building cost and land value remain high. Meanwhile, construction work on many sites on both sides of the harbour is continuing and several tall buildings are nearing completion in the central district of Victoria but no ambitious development plans have been announced during the past month.

Development of Matakok

Government has prepared a draft layout plan for the development of the Matakok district bounded by Hunghom on the south, Shek Shan on the west, Argyle Street and the Kai Tak Airport on the north and Kowloon Bay on the east. The industrial zone adjoining Kowloon Bay is separated from a residential zone by Matauwei Road and Pak Tai Street. Three large areas have been reserved for low-cost housing projects, one near Shek Shan, the second at Hau Pui Loong near the Tang King Po Trade School and the third at Matau Chung behind the Kowloon City Police Station. The garden in which the historic Chinese stone—Sung Wong Toi—has been re-sited is at the junction of Matau Chung Road and Sung Wong Toi Road. Parking facilities for 120 cars will be provided on the Matakok ferry concourse and additional space is reserved for future extension. Bus stations are provided at Prince Edward Road and on the Matakok ferry concourse. A public pier will be constructed at Kwei Chau Street. The junction of Prince Edward Road, Argyle Street and Matau Chung Road will be replanned. Forfar Road will be linked with Sung Wong Toi Road by a new 60-foot wide road and Lok Shan Road will be extended to the sea. A large area adjoining Mission Road, extending from the Kowloon City Police Station to Heep Yun School is reserved for sports clubs now at King's Park which will be displaced by the construction of the new Kowloon General Hospital.

Kuntong Industrial Sites

The third auction of industrial sites at Kuntong on October 9 leased three lots of 20,000 square feet, 20,000 sq ft and 10,000 sq ft at prices of \$218,000, \$180,000 and \$140,000 respectively to manufacturers; annual rentals are \$460 for 20,000 sq ft lots and \$230 for the third lot. Bidding for these sites was still very keen among local manufacturers but prices came down considerably from the first auction during which the highest mark reached was \$231,000

for 10,000 sq. ft. Speculative buying of land in Kuntong is out of the question owing to strict Govt supervision of its use by manufacturers. Therefore it must be assumed that buyers do not well understand the value of land and are acting without exercise of proper reason when confronting the auctioneer. High land prices have an adverse effect on the general economy and therefore should be discouraged. Some panicky manufacturers can cause a lot of harm to the stability or notions about the stability in Hongkong. It would seem to be up to Govt to try to obviate these high land price biddings although it is, on first sight, against Govt interest to see its revenue reduced; however from a public interest point of view Govt should influence prospective buyers and advise them what reasonable prices should be paid, and not allow an auction fever and competition to run its riotous course. It is also unfair and useless to criticize Govt for the lack of land for industrial use for the authorities have done their very best in helping local industrialists to solve their land problem; what other governments have levelled hills and reclaimed seabeds for a particular branch of the local economy as Govt has done for HK industrialists? If HK has not enough land for resettlement buildings, industrial establishments and various other uses, it is certainly not the fault of government officials or their policies.

Motorcar Assembling Plant

American interests are negotiating with local businessmen to set up in Kowloon a motorcar assembling plant. American parts and body works will be shipped here and assembled by this plant instead of importing assembled portions of the cars from US. This arrangement will cut the production cost of American automobiles which are far more expensive than British and European cars in the local market. No definite agreement has yet been reached. There is certainly room for such a factory in HK because local garage services are far from ideal. Deliveries of new cars take a long time after shipments arrived here. There are also opportunities for up-to-date and efficient repair shops in this Colony because existing services are either too expensive or inadequate or both. At the end of August, there were 18,703 private cars and 3,367 commercial lorries in HK and Kowloon but there are only a handful of reputable servicing garages which charge exorbitant prices for jobs which are not always satisfactory.

Wrist Watch Cases

About 10 local 'handicraft' factories are producing 6,500 wrist watch cases every day for export to SE Asia, US and South America. Quality of local products is reasonably good for low-price watches in overseas markets. Local demand declined this year on account of the drop in the volume of watch smuggling trade. This industry was started two years ago when the smuggling of wrist watches to Japan and China was so successful that operators here imported only movements from Switzerland and manufactured the cases locally. However, these cases are not good enough for well-known brands and furthermore, Swiss factories do not export movements of established brands.

Maiden Voyage

Due here on her maiden voyage on October 27, the Lars Maersk is a new passenger-cargo liner of Maersk Line (local agents—Jebesen & Company). The main characteristics of the Lars Maersk are: length 375 ft, breadth 54 ft, draught 22 ft 1½ ins; deadweight about 5,900 long tons; capacity of holds including forecastle and deep tanks is 390,000 cubic feet; and speed about 14½ knots. The vessel is equipped with radar, direction-finder, gyrocompass, echo-

sounder and other modern nautical instruments. There are two double-berth cabins for passengers.

Trouble with Chinese

The Bangkok Govt has usually dealt forcefully with oversea Chinese matters when considered harmful to the national interests of the Thai and has thus achieved more readiness on the part of the domiciled Chinese population to acclimatise themselves to the Thai nation. But the immigrant sector of the Chinese, mainly in Bangkok, are often presenting problems to the Govt. Under the resolute leadership of General Phao measures have been taken to round up more and more of the anti-Thai immigrant Chinese and deport them. If through international arrangements a way could be found to return these Chinese to the mainland of China, the Thai authorities could proceed more speedily on the road towards political pacification. It has been noted that Peking called many times on oversea Chinese requesting them to return to China. This call has not been sufficiently heard by the immigrant Chinese in Thailand, much to the chagrin of the Thai authorities and the people.

Some tension between the Thais and the Chinese exists and it is bound to increase unless the Chinese show more willingness to "Siamise" themselves. The expansionist policy of Peking is believed to inspire anti-Thai feelings among the immigrant Chinese, and this will eventually lead to more tension and trouble. Currently the Thai Govt is considering many measures to reduce the number of Chinese in Thailand or to cause them to adopt Thailand as their country, in all sincerity. The pro-communist Chinese in Bangkok are being watched and if opportunity offers itself they are being arrested and held for deportation. As the danger of an expanding communist China is understood more clearly, the patriotic organisation of Thai officers and young men are trying to exert their influence on the otherwise very conservative Govt to speed up the process of deportation of immigrant Chinese or to induce the immigrants to become loyal sons of the country in which they live and prosper. General Phao is very cautiously moving but the young officers and other patriots are showing signs of impatience which may in due course issue into a more determined policy towards the immigrant Chinese in Thailand.

HONGKONG STATISTICAL REPORTS

July 1956

Vital Statistics:

	July	Total (Jan.-July)
Birth	8,218	50,198
Death	1,711	11,462

Retail Price Indices:

	July 1956	July 1955 (March 1947—100)
Food (including drink)	130	121
Rent	119	119
Clothing (including footwear)	92	93
Fuel	92	96
Electric Light	59	60
Cleaning	93	90
Education	140	138
Tobacco & Cigarettes	113	113
Doctors & Medicines	105	106
Fares	100	100
Household Equipment	110	111
Hair Dressing	122	122
Newspapers & Stationery	153	153
Shoe Repairs	78	81
Rates	100	100
General Retail Price Index	120	116

Hongkong Clearing House Figures:

May	June	July
\$1,306,055,458	\$1,242,005,298	\$1,218,968,496

Banknotes in Circulation:

	July
The Hongkong & Shanghai Banking Corporation	\$675,742,000
The Chartered Bank of India, Australia & China	47,188,005
The Mercantile Bank of India, Limited	4,038,200
Total	\$726,968,205

Production of Electricity and Gas:

	July	Total (Jan.-July)
Electricity (kw hrs)	58,463,835	371,151,311
Gas (cubic feet)	46,225,100	360,107,200

Food Supply:

	July	Total (Jan.-July)
Animals Slaughtered (head)	63,529	517,796
Fish Marketed (tons)	3,507	22,812
Vegetables Marketed (tons)	5,048	49,387

Production of Cement:

	July	Total (Jan.-July)
Cement (metric tons)	12,049	77,856

Registration of Factories:

	July	Total (Jan.-July)
Applications Received	43	352
Cancelled and (Refused)	23 (1)	118 (12)
Certificates Issued	33	284

Building Construction in July:

	Number	Cost in HK\$	
		Building	Site Work
City of Victoria—			
Factories and Godowns	1	10,000	2,000
Houses and Flats	17	652,100	—
Other (including mixed accommodation)	1	10,210	—
Island outside Victoria—			
Houses and Flats	6	317,880	25,250
Other (including mixed accommodation)	4	1,479,794	143,595
Kowloon and New Kowloon—			
Factories and Godowns	13	912,671	21,800
Houses and Flats	192	4,873,562	142,324
Other (including mixed accommodation)	9	500,312	3,500
Total (July, 1956) ..	243	\$8,756,529	\$338,469

Kowloon-Canton Railway

(British Section):

Passengers:	July	Total (Jan.-July)
Upward	157,717	1,314,254
Downward	153,107	1,315,151
Concession Tickets ..	14,199	110,566

Freight:

Upward	1,605,410 kgs	10,147,670 kgs
Downward	17,767,690 kgs	105,020,160 kgs

Total Number of Vehicles & Drivers Licensed:

Vehicles:	In July	Total on July 31
Trams	—	137
Motor Cycles	42	1,615
Private Cars	333	18,459
Taxis	7	344
Public Hire Cars	12	283
Motor Buses	6	600
Public Commercial Lorries	30	1,394
Private Commercial Lorries	59	1,959
Government Cars & Lorries	12	788
Lorry (Kai Tak Airport Devel.)	21	73
Lorry (Construction Site)	7	271
Rickshaws (Private)	—	24
" (Public)	—	853
Public Chairs	—	6
Tricycle (Goods)	1	788
Trailers	—	8

Drivers:

Motor Car Drivers	1,197	56,617
Const. Site Drivers	39	345
Driving Instructors	60	207
Rickshaw & Tricycle Drivers	90	3,512

SHIPPING

FOREIGN TRADE CONDUCTED BY JUNKS AND LAUNCHES
UNDER 60 TONS

	July		Total (Jan.-July)	
	Inward	Outward	Inward	Outward
Tonnage of Cargo: Junks	68,646	7,392	521,912	25,446
Tonnage of Cargo: Launches ..	8,964	1,971	26,926	9,135
Total	72,310	9,363	548,838	44,581
Tonnage of Vessels: Junks	88,668	88,122	660,916	656,202
Tonnage of Vessels: Launches ..	8,976	8,911	59,467	59,135
Total	97,644	97,033	720,383	715,337

COMMERCIAL CARGO TONNAGES

	July		Total (Jan.-July)	
	Discharged	Loaded	Discharged	Loaded
Ocean-going Vessels (tons)	299,894	150,842	2,058,832	1,041,537
River Steamers (tons)	745	1,288	6,472	10,128
Total (tons)	300,579	152,130	2,065,304	1,051,665

AVIATION

Arrivals and Departures of Aircraft, Passengers
and Freight at Kai Tak

	July	Total (Jan.-July)
Aircraft:		
Arrivals	310	2,134
Departures	312	2,132
Total	622	4,266
Passengers:		
Arrivals	6,889	46,054
Departures	7,265	51,395
Total	14,154	97,449
Freight:		
Imports (kilogrammes)	56,357	417,858
Exports (kilogrammes)	156,676	1,153,692
Total	213,033	1,571,550

HONGKONG'S TRADE WITH OTHER COUNTRIES IN EAST ASIA

	Imports			Exports		
	July		Total January-July	July		Total January-July
	\$	% of Total Trade	\$	\$	% of Total Trade	\$
Burma	2,265,219	.65	24,141,300	3,364,829	1.35	14,036,139
Ceylon	94,050	.03	2,197,422	1,277,608	.51	10,084,259
Cambodia, Laos & Vietnam	5,213,159	1.50	35,173,839	7,999,187	3.20	81,893,568
India	4,018,130	1.16	37,925,962	1,463,592	.59	11,944,704
Pakistan	5,914,801	1.70	72,888,654	841,304	.34	3,538,546
Malaya	11,374,971	3.27	100,573,940	30,694,240	12.30	218,830,516
Philippines	3,167,738	.91	16,847,791	3,638,604	1.46	24,764,407
Thailand	10,816,845	3.11	106,292,440	12,354,928	4.95	217,111,057
Indonesia	2,785,661	.80	16,215,161	35,495,971	14.22	380,563,806
China	82,734,725	23.81	597,302,973	14,047,770	5.63	66,851,686
Formosa	4,255,404	1.22	30,045,400	3,503,735	1.40	27,428,292
South Korea	582,088	.17	11,106,830	7,456,333	2.99	68,192,763
Total Trade of Hongkong	347,421,171	100	2,685,037,621	249,596,336	100	1,896,692,627

HONGKONG AVIATION

Air Traffic in August 1956

Points of Call	Departures			Arrivals		
	Passengers	Freight (Kilos)	Mail (Kilos)	Passengers	Freight (Kilos)	Mail (Kilos)
United Kingdom	128	9,390	1,944	148	10,007	3,419
Europe	281	5,608	510	131	5,079	888
Middle East	250	7,471	2,417	199	3,118	713
Calcutta	113	7,178	650	151	255	491
Rangoon	97	5,424	501	166	1,488	311
Bangkok	1,148	15,118	927	1,221	7,350	2,440
Cambodia, Laos & Vietnam	486	24,640	217	313	2,677	54
Singapore	481	12,371	5,706	590	2,555	3,081
Philippines	1,476	10,951	2,273	1,642	2,680	928
Australia	142	2,178	169	75	6,804	596
United States	272	7,930	3,105	85	3,877	2,694
Honolulu	223	1,509	107	62	273	76
Canada	255	809	731	43	481	276
Japan	1,530	4,647	12,449	1,463	10,399	2,422
Formosa	554	35,810	1,560	699	2,468	1,368
South Korea	103	5,185	396	93	234	253
Macau	2	6,415	—	2	—	—
Noumea	40	—	—	—	—	—
Okinawa	75	5,057	67	85	307	—
Total	7,656	167,691	33,729	7,168	60,050	20,010
Direct Transit	793	15,411	—	793	15,411	—
Total Aircraft Departures = 306.						
Total Aircraft Arrivals = 307.						

HONGKONG SHIPPING

Ocean and River Steamers over 60 tons net Entering and Clearing the Port in August, 1956

	August				Total (Jan.-Aug.)			
	Entered		Cleared		Entered		Cleared	
	No.	Ton	No.	Ton	No.	Ton	No.	Ton
British	209	458,411	215	475,243	1,757	3,716,615	1,745	3,686,316
American	16	92,344	16	92,344	152	849,699	152	849,699
Burmese	—	—	1	2,845	4	11,380	4	11,380
Cambodian	1	557	1	557	7	3,899	7	3,899
Chinese	19	4,672	13	2,968	121	35,363	117	34,705
Danish	16	53,152	16	56,534	139	458,561	139	457,242
Dutch	17	80,132	18	85,000	149	643,983	149	642,993
Finnish	—	—	—	—	2	5,309	2	5,309
French	13	37,931	8	28,735	77	256,923	69	243,226
German	3	13,847	3	13,847	32	154,328	32	154,328
Indian	1	2,749	1	2,749	7	21,166	7	21,166
Indonesian	—	—	—	—	1	4,888	—	—
Italian	3	10,528	3	10,528	9	45,399	9	45,399
Japanese	49	106,983	45	109,380	279	778,240	274	777,966
Korean	2	5,318	2	5,318	17	23,454	18	23,496
Liberian	2	4,246	2	4,246	20	42,455	20	42,455
Norwegian	40	110,789	36	95,613	282	763,741	279	749,870
Pakistan	—	—	—	—	1	4,297	2	8,603
Panamanian	16	22,077	14	19,292	99	168,151	96	166,588
Philippine	2	3,954	—	—	20	44,130	16	37,713
Polish	1	5,035	—	—	2	7,870	1	2,835
Portuguese	—	—	—	—	4	18,507	4	18,507
Ryukyu	—	—	—	—	1	853	1	853
Swedish	11	34,679	19	32,411	63	195,503	62	193,235
Thailand	1	1,672	1	1,672	2	3,344	2	3,344
Turkish	—	—	—	—	1	2,291	1	2,291
Vietnamese	—	—	—	—	6	3,826	6	3,826
Yugoslavian	2	3,518	2	3,518	8	13,967	8	13,967
Total	424	1,052,594	407	1,042,800	3,262	8,278,142	3,222	8,201,211

FINANCE & COMMERCE

WORLD PRODUCTION AND TRADE OF TEA

Production

Tea production reached a new height in 1955. Estimated world production was 672,000 tons, about 15,000 tons more than in 1954, and 20 percent above the 1949-53 average; compared with prewar, production was more than 50 percent higher. The largest proportional increases occurred in Africa, and further production expansion is anticipated there. New plantations are being developed, some by British concerns with Far Eastern tea experience.

In Asia, production rose steadily during the last few years in India, Japan, and, above all, in Ceylon. Favorable prices or the need to reduce unit labor input spurred efforts to raise output, frequently in the face of difficult social, economic, and agricultural problems. In Ceylon, production increased by about 20 percent. Among the most hopeful developments are the efforts to increase yields and to develop other techniques for controlling unit production costs in spite of rising wages. Personnel difficulties and financial limitations adversely affected research and development work; nevertheless, the contributions of the chief experimental stations, notably of Tockli in Assam and St. Coombs in Ceylon, were considerable, especially in the selection and propagation of high-yielding clones and in advising estates on general problems. Countries in Asia which did not register higher output were Pakistan and Indonesia. In the former country, suggestions were made a few years ago for increasing tea output by 50 percent or more to provide for the higher domestic consumption and increased exports to earn foreign exchange. Industry battled against numerous administrative and economic difficulties. Many gardens experienced shortages of fertilizers and other materials; above all, there were complaints about the conspicuous absence of a clear working policy to provide financial incentives to new plantations. Nevertheless, there was a slight expansion in the area under tea and, when conditions improve, some increase in production can be anticipated. In Indonesia production was hampered by various social factors, and output, which was still about a third below prewar, showed no indication of rapid growth in the next few years.

Production of Tea in Chief Producing Countries and by Continents

Country or region	1953	1954	1955
Thousand metric tons			
India	278.6	292.2	300.4
Ceylon	155.6	166.3	172.4
Indonesia	37.0	46.0	*43.4
Pakistan	24.6	24.8	24.4
Japan	56.5	68.0	70.0
Others†	24.4	28.7	28.0
Total Asia‡	577	624	639
Africa	20	27	29
Latin America‡	4	4	4
World Total§	601	655	672

* Provisional. — † Including Malays, Iran, Taiwan, Vietnam, Ryukyu. — ‡ Excluding China and the U.S.S.R. — § Estimates.

Trade and Prices

The large 1955 crop was not matched by correspondingly heavy exports. Indian exports were 18 percent lower than in 1954, while exports from Pakistan fell by 50 percent and Indonesian shipments by about 28 percent. Only Ceylon and British East Africa registered larger exports. Imports into all the main consuming markets declined. United Kingdom net imports fell by 9 percent. In the United States, imports, though still above the 1948-52 average, were slightly lower than in the two previous years. Slight declines were evident in imports into Canada, Australia, and New Zealand. On the other hand, imports continued to rise in Western Germany and in North Africa (mainly Morocco which imported relatively large quantities of China tea):

Net Imports into Specified Countries

Importing country	First quarter					
	1953	1954	1955	1955	1956	1956
Thousand metric tons						
United Kingdom	207.2	231.7	211.5	75.4	53.9	
Ireland, Rep. of	7.4	11.7	11.8	4.0	3.4	
Netherlands	7.8	8.1	7.4	2.0	2.0	
Germany, Western	3.7	4.8	5.4	1.3	1.4	
United States	48.8	51.7	47.0	16.1	12.7	
Canada	20.6	20.1	19.1	4.3	4.1	
Australia	27.1	27.3	24.3	8.8	5.2	
New Zealand	6.7	6.9	5.8	1.9	...	
Egypt	20.2	16.3	17.2	3.2	4.3	
Morocco	13.5	13.4	15.7	3.8	4.8	
World Total	441	477	460	—	—	

Prices rose steeply during the winter of 1954/55, but early in 1955 a reaction set in, owing to various factors, and recovery did not take place until accumulated stocks in consuming countries had been worked off during the third quarter. In the second half of 1955, the trends in London and the Far Eastern auction centres were not co-ordinated. Temporary restrictions on shipments to the London auctions,

adopted by both India and Ceylon, hampered the free flow of trade, causing warehouse and port congestion in the Far East. Prices in Colombo received but little support by such relief measures as government buying (amounting altogether to 550,000 lb.), export subsidies (in force for only two weeks) and, finally, the reduction of the export duty. India established a sliding scale of export duty, but Calcutta prices continued to be depressed by the large carry-over of generally low-quality tea which filled the warehouses. At the same time, auction prices advanced in London, where stocks had run low and arrivals were below normal.

Greater price stability is apparent in 1956. Indian export restrictions were abolished. Rising overseas demand in the first half of the year, combined with the better quality of the new season's tea, succeeded in maintaining prices and in narrowing the price differential between London and the Far Eastern auction centers. Notwithstanding the irregular and sometimes violent price movements of the past year, 1955 turned out to be a less disappointing year for the tea industry than was feared in the early months, when prices began to fall.

Prices of Tea in the Main Auction Centers

Period	Calcutta Colombo London		
	Tea for export	All tea	All tea
Pence per pound			
1953			
1st quarter	25.6	36.8	40.4
2nd quarter	30.7	33.1	44.0
3rd quarter	34.1	33.5	43.7
4th quarter	34.8	35.0	46.8
1954			
1st quarter	42.0	42.3	53.0
2nd quarter	50.0	42.2	57.4
3rd quarter	55.1	45.3	63.1
4th quarter	63.0	58.0	80.7
1955			
1st quarter	60.6	50.0	73.1
2nd quarter	40.7	27.5	50.6
3rd quarter	47.2	41.6	53.3
4th quarter	37.0	39.6	59.1
1956			
1st quarter	30.6	39.1	51.6
2nd quarter	31.9	37.2	55.7

Outlook

In spite of frost and drought, which hit the tea growing areas of Ceylon early in 1956, and of prolonged rains in Northern India, production in the main Far Eastern countries in the first four or five months this year was only a few thousand tons below the 1955 level. With sustained trade activity in the first half year and higher prices paid for quality teas, the immediate outlook appears satisfactory. Imports into Europe are likely to rise; the unseason-

ally low stocks in United Kingdom bonded warehouses may necessitate heavier imports. The Indian carry-over stocks have been taken up mostly by domestic consumption; supply and demand may be kept in equilibrium provided Indian producers pay close attention to the related factors of quantity and quality of their tea output.

In the more distant future, however, the most urgent problem will be that of maintaining control of unit production costs. The year 1955 showed a general rise in labor costs throughout the Far East and this trend is certain to continue. Prices of fuel, building materials, and machinery also rose. Maximum efforts must therefore be directed towards the improvement of yields, better production techniques, and a higher quality of the finished product.

These considerations would indicate the need for increased emphasis on research, both in the fields of agronomy and in the factory, but to rationalize the industry more capital will be required than is available at present. In

India, the report of the Plantation Inquiry Commission is being awaited with considerable interest, the more so as it will probably be accompanied by an official statement of policy. In Ceylon, the former government was in favor of maintaining the current estate area, because productivity of estate gardens, which had been broken up into small holdings, suffered a severe decline. Now, a policy statement from the government which came into power in June 1956 is being awaited. It is possible that a policy to provide effective help to small holders will be implemented, while at the same time estates will be encouraged to strengthen their financial and management positions. The experience of Japan demonstrates that the productivity of the small holders can be raised greatly. Since the expiration of the International Tea Agreement early in 1955, negotiations for renewal have been hampered by fundamental economic disagreements, but recent movements in trade volume and prices have not varied greatly so far. Nevertheless, it is possible that in the long run the present trends may be reversed by national programs for expansion of area and output.

HONGKONG EXCHANGE MARKETS

October 15th-20th, 1956

Oct.	U.S.\$			
	T.T. High	T.T. Low	Notes High	Notes Low
15	H O L I D A Y			
16	\$619	618½	616½	615½
17	618½	618	615½	614½
18	618½	618½	616	615½
19	620	619½	617½	616½
20	620½	619½	617½	616½

D.D. rates: High 618½ Low 616.

Trading totals: T.T. US\$2,530,000; Notes cash US\$530,000, forward US\$1,930,000; D.D. US\$420,000. There was a slight drop of cross rates in New York; the market here was steady on good demand. In the T.T. sector, offers were absorbed by exchange operators, gold and general importers. In the Notes market, speculative buying was very active; supply from various sources, however, was abundant. Interest favoured sellers and aggregated HK\$3.20 per US\$1,000, while speculative position averaged US\$2½ million per day. In the D.D. sector, business increased and market was active.

Yen: No forward trading was recorded; change over interest totalled HK\$2.30 per Yen 100,000 in favour of buyers. Cash quotations were HK\$1,472—1,462 per Yen 100,000. Closing rates were firm on short supply and strong demand from local importers.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.825—1.805,

Japan 0.01465—0.01455, Malaya 1.875, Vietnam 0.05714—0.0555, Thailand 0.2816—0.2795. Sales: Pesos 395,000, Yen 116 m, Malayan \$340,000, Piastre 18 m, and Baht 8 m. Heavy transfer of money from Saigon to HK was reported.

Agreed Merchant T.T. rates: Selling rates per foreign currency unit in HK\$: South Africa 16.236, Switzerland 1.328, Belgium 0.1167, West Germany 1.389. Selling and buying rates per foreign currency unit in HK\$: England 16.202—16.10, Australia 13.016—12.757, New Zealand 16.202—15.867, United States 5.839—5.755, Canada 5.97—5.882, India 1.216—1.205, Pakistan 1.218—1.204, Ceylon 1.219—1.207, Burma 1.216—1.205, Malaya 1.889—1.871.

Chinese Exchange: People's Yuan notes—HK\$150 per 100 Yuan. Taiwan Dollar notes—HK\$171—163 per thousand dollars and remittances 164—162.

Bank Notes: Highest and lowest rates per foreign currency unit in HK\$: England 15.95—15.92, Australia 12.75, New Zealand 14.77—14.75, Egypt 13.00, East Africa 15.25, South Africa 16.15—16.10, India 1.19—1.185, Pakistan 0.90, Ceylon 0.97, Burma 0.48, Malaya 1.845—1.84, Canada 6.31—6.29, Cuba 4.80, Philippines 1.94—1.90, Switzerland 1.38, West Germany 1.39, Italy 0.0095, Belgium 0.105, Sweden 1.00, Norway 0.70, Denmark 0.77, Netherlands 1.43, France 0.01535—0.0153, Vietnam 0.0605—0.059, Laos 0.068—0.064, Cambodia 0.083—0.082, North Borneo 1.50, Indonesia 0.184—0.183, Thailand 0.2735—0.272, Macau 1.002—0.995.

Gold Market

Oct.	High .945	Low .945	Macao .99
H O L I D A Y			
15			
16	268½	267½	
17	267½	267½	High 278½
18	267½	267½	277½ Low
19	268½	267½	
20	268½	267½	

The opening and closing prices were \$268½ and 268½, and the highest and lowest 268½ and 267½. The market registered fewer speculative activity but more export demand. Interest for change over favoured buyers and aggregated HK\$0.73 per 10 taels of .945 fine. Tradings averaged 7,200 taels per day. Of the total 43,200 taels transacted during the week, 15,390 taels were delivered (5,060 listed and 10,330 arranged). Positions taken by speculators averaged 23,400 taels per day. Imports were all from Macau and amounted to 11,000 taels. One shipment of 35,200 taels reached Macau last week. Exports totalled 17,000 taels (9,000 to Singapore, 6,000 to Indonesia, 1,000 to Vietnam, and 1,000 to Rangoon). Differences paid for local and Macau .99 fine were HK\$14.10—13.70 and 12.40—12.00 respectively per tael of .945 fine. Cross rates were US\$37.87—37.85 per fine

ounce; 32,000 fine ounces contracted at 37.85 C.I.F. Macau. US double eagle old and new coins quoted HK\$271 and HK\$227 respectively per coin and Mexican gold coins HK\$284 per coin.

Silver Market: Higher world prices stimulated local rates in spite of the quiet market. 500 taels of bar silver were traded at HK\$6.30—6.20; 800 dollar coins at HK\$4.00—3.96 per coin; 1,000 20 cent coins at HK\$3.08—3.05 per 5 coins.

HONGKONG SHARE MARKET

October 16-19, 1956

Trading was limited in volume and prices weaker than those for the previous week. Selling pressure was particularly strong in Wheellocks; quotations eased to 8.95 but later recovered to 7.10 X-All on support from big operators. Profit taking depressed Docks and Yaumatis and prevented Lights and Hotels from reaching the best prices of the previous week. Telephones were the only shares which closed at the highest level during the fortnight. Electrics, Trams, Lands and Dairy Farms retained steady but limited demand throughout the week; prices failed to improve. HK Banks reached 1645 but profit taking returned it to 1640. Union Ins. registered no business; buying offers improved \$5 but selling quotations were \$5 lower than the previous week. Wharves registered another 500 shares traded at 95; the buyer first lowered the offer to 93.50 but there was no selling response. Star Ferries remained firm at 142; sellers wanted 144 but buyers offered 142 and no transaction was concluded. Amal. Rubbers gained 7½ cents on the week while Cements lost 40c and Watsons down 30c. Cotton and investment companies were dull.

Monday: Holiday. **Tuesday:** Trading was moderate and prices yielded slight ground. The turnover amounted to \$970,000. **Wednesday:** The market was quiet with virtually no change in rates. The turnover amounted to \$550,000. **Thursday:** Business improved slightly in the afternoon bringing up the total amount to \$800,000. **Friday:** Rates remained almost stationary. The market closed steady and the turnover amounted to \$830,000.

Messrs. A. R. Burkill & Sons (Hongkong) Ltd., the General Managers of Amalgamated Rubber Estates Limited, announced that the output from the Estates for September totalled 610,837 lbs.

Closing Rates on October 19, 1956

H.K. Govt. Loans	
3½% Loan (1934 & 1940), 90 nom.	
3½% Loan (1948), 90 nom.	
Banks	
H.K. & S. Bank, 1630 b; 1640 s; 1640 sa.	
H.K. & S. Bank (Lon. Reg.), 436 nom.	
Bank of East Asia, 244 b.	
Insurances	
Union Ins., 1005 b; 1010 s.	
Lombard Ins., 42½ b.	
China Underwriters, 8.80 nom.	
Investment Companies	
Allied Investors, 4.95 b.	
Yangtze Finance Ex. Div., 6.05 nom.	
H.K. & F.E. Invest., 10.40 nom.	
Shipping	
Douglases Ex. Div., 592½ nom.	
Indo-China (Pref), 14 nom.	
Indo-China (Def.), 35¼ nom.	
U. Waterboats (Old), 23.60 nom.	
U. Waterboats (New), 28 nom.	
Asia Nav., 1.20 b.	
Wheelocks, Ex. All., 7.10 b; 7.20 s; 7.10 sa.	
Docks, Wharves & Godowns	
H.K. & K. Wharves, 94 b; 95 sa.	
Sh. Hongkew Wharves, 90c nom.	
H.K. Docks, 46¼ b; 46½ s; 46¼ sa.	
China. Providents, 18.70 b; 18.90 s.	
Shai Dockyards, 1 b.	

Mining

Raub Mines, 3½ nom.
H.K. Mines, 5¼c s.

Lands, Hotels & Bldgs.

H. & S. Hotels, 15.30 b; 15½ s; 15½/.40 sa.
H.K. Lands, 64½ b; 65 s; 64½ sa.
Shai Lands, 48c nom.
Humphreys, 19.40 b; 19.60 s; 19½ sa.
H.K. Realities, 1.425 b; 1½ s.
Chinese Estates, 400 nom.

Public Utilities

H.K. Tramways, 23.60 b; 23.70 s; 23.60 sa.
Peak Trams (F. Pd.), 75 nom.
Peak Trams (P. Pd.), 37½ nom.
Star Ferries, 142 b.
Yaumati Ferries, Ex. Div., 108 b; 109 s; 108 sa.
China Lights, 24.30 b; 25.20 s; 25 sa.
China Lights (1949 Issue), 24.30 b; 24½ s.
H.K. Electrics, 31½ b; 32 s; 32 sa.
Macao Electrics, 9.30 b.
Sandakan Lights, 8.90 s.
Telephones (Old), 25.20 b; 25.40 s; 25.20/30 sa.
Telephones (New), 24.30 b; 24.40 s; 24.40 sa.
Shanghai Gas, 90c nom.

Industrials

Cementa, 39½ b; 38¾ s.
H.K. Ropes, 13.10 b.
Metal Industries, 1.775 b; 1.80 sa.

Stores

Dairy Farms, Ex. Div., 15.30 b; 15½ s; 15½ sa.
Watsons, 13.70 b; 14 s.
L. Crawfords, 29.40 nom.
Cald. Mac. (Ord.), 29.80 nom.
Sinceres, 1.80 nom.
China Emporium, 8.90 nom.
Sun Co. Ltd., 75c b.
Kwong Sang Hong, 202 nom.
Wing On (HK), 61 b.

Miscellaneous

China Entertainments, 17.90 nom.
International Films, 20c nom.
H.K. Constructions, 4.30 nom.
Vibro Pilings, 18.80 s.
Marsman Investments, 6/- nom.
Marsman (H.K.), 65c nom.

Cottons

Ewos, 85c nom.
Textile Corp., 4.40 nom.
Nanyang Mill, 7½ b.

Rubber Companies

Amal. Rubber, 1.575 b; 1.625 s; 1.625/.60 sa.
Ayer Tawah, 1¼ b.
Java-Consolidated Estates, 53c b.
Langkat, 1.275 b.
Rubber Trust, 1.60 b; 1.70 s.
Shanghai Kelantan, 86c b; 90c s.
Shanghai Sumatra, 2½ nom.
Sungala, 80c b.

HONGKONG STOCK EXCHANGE IN SEPTEMBER

There was only moderate activity in the share market during September and price changes few and negligible. Wheelock, Kowloon Wharf and China Light (Fully Paid) shares showed advances towards month-end. The Suez crisis does not appear to have affected the local market to the same extent as the London and New York markets, possibly due to trading here being upon a cash basis.

Banks & Insurances: Hongkong Bank shares were enquired for at lower levels but sellers were hesitant and transactions upon a moderate scale. Little interest was evinced in Lombards, but a persistent demand for Unions at \$1,000 set in with a limited number of

Shares	Oct. 11	Highest	Last Week's Rates		Ups and Downs
			Lowest	Closing	
HK Bank	1640	1645	1630 b	1640	firm
Union Ins.	1000	1010 s	1000 n	1005 b	firm
Wheelock	9.05	XAll 7.10	8.95	XAll 7.10	steady
HK Wharf	95	95	93.50 b	95	firm
HK Dock	45.75	45.60	45	45.25	—50¢
Provident	13.90	13.90	13.70 b	13.90 s	steady
HK Land	64.50	64.50	64	64.50	steady
Realty	1.50 s	1.475	1.425 b	1.50 s	steady
Hotel	15.40 b	15.60	15.40	15.40	firm
Trams	23.70	23.70	23.60	23.70	steady
Star Ferry	142	144 s	142 b	142 b	firm
Yaumati	112	XD 110	XD 108	XD 108	—\$1.50
Light	24.90	25	24.30	25	+10¢
Light (1949)	24.20 b	24.40	24.20 b	24.30 b	+10¢
Electric	32	32	31.75	32	steady
Telephone (o)	25	25.30	24.90	25.30	+30¢
Telephone (n)	24 b	24.40	23.90	24.40	+40¢
Cement	39	38.75	38.50	38.75 s	—25¢
Dairy Farm	15.50	15.50	15.40	15.50	steady
Watson	14.10	14.20 s	13.80 b	13.80	—30¢
Yangtze	6.80	XD 6.05 n	XD 6.05 n	XD 6.05 n	barely steady
Allied Invest.	5 b	5	4.95 b	4.95 b	—5¢
HK & FE Invest. ..	10.40 n	10.70 s	10.40 n	10.40 n	barely steady
Amal. Rubber	1.525	1.625	1.525	1.60	+7½¢
Textile	4.40 n	4.50 s	4.30 b	4.40 n	steady
Nanyang	7.50	7.55	7.50 n	7.50 b	steady

shares changing hands up to \$1,010. **Investment Companies:** Shares in this group were not much in demand. **Shipping:** Wheelocks were dealt in at between \$8.70 and \$9½ but only a moderate quantity of shares changed hands. A fair number of Eastern Asia Navigation shares were dealt in without materially affecting the price, and a small parcel of Union Waterboats changed hands. **Docks & Wharves:** Kowloon Wharf and Hongkong Dock shares changed hands in light scale trading at advancing rates. China Providents were enquired for, but no great number of shares changed hands. **Lands & Hotels:** The brisk demand for Hongkong Hotels was not maintained but the price remained stable. Although trading was upon a lighter scale than last month, demand for Hongkong Lands continued but at lower levels. Humphreys and Realties were not in great demand. A comparatively large parcel of Chinese Estates changed hands after shares in this Company had remained dormant for a considerable period. **Public Utilities:** Demand for these shares continued and, with a few exceptions, at advancing rates but trading was upon a moderate scale. Payment of call of \$2.00 per share on China Lights (1949 Issue) is due at the end of this month. **Industrials:** Apart from Metal Industries, interest in this section was perfunctory. **Stores:** Watsons led in this group followed by Dairy Farms. **Miscellaneous:** Business was negligible. **Cottons:** A little more interest was shown in this section. **Rubbers:** Little interest appeared to be taken in shares in this group, with rates influenced by the price of Raw Rubber.

Dividend announcements were made by Union Insurance Society of Canton, Ltd., Hongkong & Yaumati Ferry Co., Ltd., Dairy Farm, Ice & Cold Storage Co., Ltd. and Shanghai-Sumatra Rubber Estates, Ltd.

Business during September: \$12,370,100. Business in 1955: \$333,189,500. Business during January-September 1956: \$184,162,113. Business in September 1955: \$32,368,518.

BUSINESS DURING SEPTEMBER

	Qty. of Shares
H.K. Govt. Loan 3½% (1948)	\$1,000
H.K. Bank	375
Bank of East Asia	8
Lombard Insurance	1,715
Union Insurance	124
Allied Investors	10,100
Yanhtze	11,876
H.K. & Far East Inv.	300
Union Waterboats (O)	1,700
Asia Navigation	12,300
Wheelock Marden	56,500
Wharf Co.	1,425
C. Providents	14,820
H.K. Docks	13,300
H.K. Mines	87,250
H.K. & S. Hotels	34,900
H.K. Lands	20,650
Humphreys	1,700
Realty	38,000
Chinese Estates	130
H.K. Trams	25,024
Star Estates	500

	Qty. of Shares
Yaumati Ferry	7,510
China Lights (F. Pd.)	51,123
China Lights (P. Pd.)	20,492
H.K. Electric	39,705
Macao Electric	2,971
Telephones (O)	28,066
Caldbeck (N)	20,713
Cementa	1,020
Ropes	21,625
Metal Industries	2,000
Dairy Farms	25,900
Watson	30,851
Lane Crawfords	28,945
Sincere	150
China Emporium	256
Kwong Sang Hong	37
Wing On	60
Vibro Piling	4
Textiles	2,925
Nanyang Mill	26,500
	10,750
Rubber	
Amalgamated Rubber	90,944
Ayer Tawah	23,500
Java-Consolidated	4,301
Langkat	5,685
Rubber Trust	46,829
S'hai Kelantan	13,000
S'hai Sumatra	160
Sungala	17,360

SINGAPORE SHARE MARKET

October 6-12, 1956

Although the week opened on a firm note, buying enthusiasm in the case of Industrials and local Tins gradually waned. Rubbers, however, continued firm and had a much greater turnover.

In the Industrial section, Singapore Cold Storage improved to \$1.60 buyers. Gammons were in demand at \$1.92½ and Wm. Jacks at \$3.00 cum. 10%, Fraser & Neave closed at \$2.16 cum.

HONGKONG AND FAR EASTERN TRADE REPORTS

October 14-20, 1956

China Trade: 116 British tractors reached Tientsin last week from Liverpool. This is the first shipment of the tractors Peking bought from 4 British manufacturers in July; another shipment of 172 tractors will be due in China shortly. From Japan, Peking is procuring cement and textile machinery while exporting cement to HK and sending textile machinery to Burma and other countries in SE Asia. However, China's imports of these two items from Japan are much more than her exports to HK and SE Asia. Last month, Peking bought 80,000 tons of cement from Japan but shipped here only about 8,000 tons of Canton cement. During January-September this year, Peking ordered £2 million worth of complete sets of Japanese textile machinery which far exceeded China's export of this item to SE Asia. From

17%. Wearnes shed 7½ cents with business at \$3.27½ and Metal Box at \$1.76 were 4 cents below best. Malayan Collieries fell 10c to \$1.08 c.d.

Aokam continued to fluctuate and finally fell rapidly from a peak of \$1.80 to \$1.65. Klang River were rushed to \$1.50 on liquidation prospects but with no news except a circular stating that the dredge had been put on a care and maintenance basis, the shares quickly shed 25 cents. Kuchai were in demand at \$2.10 and Sungai way at \$3.85.

Lower Perak had a small turnover around 17/- and Austral Amalgamated came back to 19/3.

The demand for London registered Tins led to a considerable turnover, particularly in Malayan Tin up to 13/6 and in Kamunting up to 10/4½d.

Many rubber shares had price rises. Kempas moved up to \$1.90 buyers, Pajam to \$1.08, Sungai Bagan to \$1.40 and Batu Lintang to \$1.77½. Parit Perak were in demand at \$2.25, Ulu Benut at 37 cents and Tapah at \$2.50. Again Ayer Panas were influenced by a rumour of the sale of the Estate and jumped quickly to \$1.50 before closing sellers \$1.47½.

The local loan market was quiet with tax free issues still scarce.

Oil Search which were taken from Australia at A.15/3 are to make an issue of Ordinary A.5/- shares to shareholders at par, in the ratio of 1 to 4 held on October 31st. The new shares will be payable 1/-d on application by January 1st and there will be two calls each of A.2/- expected by the Directors to be made in April and June, 1957.

the local market China bought round bars and other metals when prices here eased after the recent hike. Heavy consignments of eggs, live hogs, cattle and poultry arrived from Canton and other Chinese ports after prices here had been stimulated by the recent shortage. Chinese exports transhipped here included 500 tons of round bars, window glass, cotton blankets and herb medicines to Thailand; 200 tons of oil seeds, beans and cow hide to Japan; a small consignment of carpets and silk piece goods to Australia. Chinese plywood retained steady local demand and attracted orders from North Borneo and Australia.

Japan Trade: Japanese Government approved the policy of limited exports of rolling stock, bulldozers, trucks, concrete mixing plants, trans-

formers, compressors, pumps and construction machines under COCOM's escape clause. The present unofficial trade treaty between Japan and China extended in Peking this month until next May set a trade goal of £60 m per year. Japanese businessmen believe that the next treaty can be expanded to £100 m both ways if the present trend continues. In addition to machinery and equipment, Japan is offering cotton products and woollen fabrics to China. Japan's purchasing of steels and oil seeds from the local market slowed down. Meanwhile, dealers here rushed scrap iron, steel bars, plates, maize, beans, groundnut kernel, sesame and rosin covered by previous orders to Japan. Imports from Japan totalled only about 500 tons last week and consisted chiefly of cement, cotton and rayon textiles, rayon yarn and sundries. During the week, dealers booked more rayon yarn, cement, paper, cotton blankets and sundries from Japan.

UK and Europe: Cargo movements between UK-HK and Europe-HK were active but the volume was much less than the first two weeks this month. Several shipments from UK were delayed and imports from Europe totalled about 3,000 tons with metals and consumer goods constituting the major portion of the tonnage. Imports of woollen piecegoods from UK improved with the approach of the cool weather. Exports of China produce and HK manufactures to UK and Europe amounted to about 1,000 tons. New orders were received from UK for nylon, cotton and cloth gloves and from Europe for various kinds of brushes.

Trade with US: HK made cotton cloth and cotton string gloves, hand embroidered slippers, frozen spring rolls can now be shipped to US if covered by comprehensive certificates of origin. Chinese style foodstuff, rattan furniture, and cotton waste were principal exports to US. Exports of rattan furniture will drop with the beginning of the winter season while shipments of foodstuff will gradually improve during the next three months before Chinese New Year. Among imports from US were black plate, fruits, electric appliances, Xmas cards and decorative items.

Indonesia Trade: Djakarta bought limited quantities of enamelware, raincoat, button, leather belt and hair net from here with HK dollars earned from exports of staples to the local market. Purchasing of cotton yarn from local mills was handicapped by the resumption of a 25% import surtax on cotton yarn in Indonesia.

Thailand Trade: Another 3,000 tons of rice reached here from Thailand in addition to about 2,500 tons of beans, timber, maize, sesame and live cattle. Exports totalled 2,000 tons consisting chiefly of Chinese wire nails, cotton

blankets, tea, herb medicine, window glass, garlic and Hongkong manufactured cotton underwear, shirt, and enamelware.

Korea Trade: Increased HK-Pusan freight rates, high commodity prices here and Seoul's lack of foreign exchange for imports from HK curtailed shipments from here to Korea. Meanwhile there were more enquiries than orders from Seoul for various kinds of paper, industrial chemicals, pharmaceuticals and HK products.

Taiwan Trade: Following the sale of cotton cloth to Thailand, Taiwan offered 350,000 yds of khaki cloth to South Vietnam at the total value of US\$97,000. Earlier this year Taipei sold Saigon 15,000 pcs white cloth and 30,000 pcs khaki. Taiwan now has a total of 210,000 spindles operated by 18 mills. Authorities there recently approved the import of 1,000 automatic spindles. With the Philippines, Taiwan signed a barter trade agreement for the exchange of goods amounting to US\$1 million each way every year; Manila will export wood, railway ties, coconut oil and other staples and Taipei will supply rice, tea, camphor and light industrial products.

Singapore & Malaya: Cargo movements between HK and Malayan ports remained active but limited in volume. Red bean of Chinese origin and steel plate of Japanese origin were shipped back from Singapore by dealers here who had sold these consignments to Japan. Other imports included firewood, charcoal, lead ingot, used tyre, maize and coconut oil. Exports to Singapore and Penang totalled 1,000 tons and consisted chiefly of groundnut oil, enamelware, joss sticks, cotton textiles, sugar, fruits, torch batteries and herb medicines.

The Philippines: Importers in Manila sent here more enquiries for textiles, hurricane lantern, plastic goods and other HK manufactures; new allocation of foreign exchange will begin before month-end. Exporters here were expecting more orders from Philippines because Manila had recently restricted imports from Japan on account of the failure to reach an agreement with Tokyo on payments.

Laos, Cambodia and Vietnam: Demand from Laos improved particularly for paper, wheat flour, cotton textiles, electric appliances and knitwear. Cambodia continued to ship maize, green pea, sesame, lotus seed, timber, scrap iron and live cattle to the local market but purchases from here slowed down on account of the drop in commodity prices there after recent heavy imports from HK. South Vietnam bought substantial quantities of metal, cement, paper and cotton textiles from Japan and US with ICA funds; orders reached here covered only

insignificant quantities of paper bought with HK dollars earned from exports of staples to the local market.

India and Pakistan: HK-India and HK-East Pakistan freight rates will be increased by about 10% as from November 1, 1956. Imports from India remained slow and limited to small consignments of cotton and groundnut oil. Pakistan yarn continued to reach here in large quantities. Exports to these two countries consisted chiefly of cassia lignea and HK manufactured metalware. Shipments of cassia lignea will probably decline after recent heavy purchases because China is now offering direct shipments to Bombay and Karachi.

Burma Trade: HK-Burma freight rates will also be hiked by 10% beginning November 1, 1956. Importers in Rangoon sent here more enquiries for wheat flour, paper, cotton knitwear, pharmaceuticals, canned food and foodstuff after authorities there granted more foreign exchange for imports and allowed traders to use 20% of the foreign exchange earned from exports of staples for imports.

Ceylon Trade: Demand from Colombo for enamelware, torch, plastic products, aluminum ware and textiles was limited to small orders. Exports to Ceylon were also restricted by the lack of sufficient shipping space even for the present limited volume of trade.

African Markets: Demand from West Africa for enamelware, rubber footwear, cotton piece goods improved. 400 tons of raw cotton were imported from East Africa.

Okinawa: Exports of canned food, milk products, woollen piecegoods, cotton textiles, shirt, garments, cement, structural steel, toys and sundries to Okinawa remained steady averaging about 600 tons every week.

North Borneo: Over 2,000 tons of scrap iron, timber, rubber, coconuts and firewood reached here from North Borneo. Among 1,000 tons of exports were window glass, canned food, matches, cement and other building materials.

Australia & New Zealand: Imports of wheat flour from Australia slowed down after the recent increase in cost. 600 tons of HK manufactures were shipped to Australia; principal items were cotton textiles, gloves, rattan furniture, teakwood chest, vacuum flask and plastic products. Exports to New Zealand included gloves, rattanware, plastic goods, textiles, and aniseed oil.

China Produce: Japanese businessmen wanted to barter for rosin, groundnut kernel and cow hide from HK with industrial chemicals, paper and fruits; there was no response from local dealers. Traders here were unable to get

new offers from Canton for beans to meet the demand from Japan. Canton probably was hoarding supplies of beans for the China Products Exhibition which will be opened there on November 10. Trading in beans still dominated the local market. Dealers here effected return shipment of red bean from Singapore to fulfil orders from Japan. Demand from Japan also covered string bean, green pea, insect wax, rosin, aniseed oil, cassia oil, wood-oil, groundnut kernel and castor seed. Pakistan and India remained keen in cassia lignea but orders were placed with Peking representative here for direct shipments. Woodoil also enjoyed demand from Australia; aniseed oil favoured by New Zealand; camphor tablets bought by Africa and Ceylon; feather retained demand from Scandinavian countries; and gypsum bought by Taiwan.

Metals: Several shipments from UK and Europe were delayed. Japan slowed down the purchasing of bars and plates and forced down buying offers. Consequently, prices here declined; China and SE Asia then returned to the market and bought these two items. Steel box strapping, black plate, and steel wire rope were also favoured by China. Factory items retained steady local demand while tin plate and waste waste advanced on increased cost. Mild steel plate cutting improved on higher UK indents. Scrap iron eased slightly when demand from Japan weakened.

Paper: Importers in Korea failed to support all their enquiries with orders and only limited quantities of a few items were concluded including m.g. white sulphite, transparent cellulose paper, glassine and aluminum foil. Demand from SE Asia covered newsprints, woodfree, sulphite, kraft, manifold, bond, transparent cellulose paper and duplex board but the volume of these orders was small. Dealers here booked aluminum foil from Europe; wood-free and newsprint from Japan; manifold, and flint from China. New indents from Japan and China were higher than previous week.

Industrial Chemicals: The market was dull registering only spasmodic demand from China for carbolic acid; from Cambodia for lithopone and gum arabic; from Korea for sulphur powder and gum copal; and from Taiwan for gum copal and damar, and shellac.

Pharmaceuticals: The biggest deal last week was China's purchase of 18,000 vials of dihydrostreptomycin from UK through a local firm. China also favoured phenacetin powder, sulfadiazine, and amidopyrin. The market also registered enquiries from Korea for quinine powder, resorcin and potassium iodide; from Cambodia for penicillin ointment; and from Thailand for cod liver oil capsules. Trading was quiet.

Yarn: Indonesia's purchase of cotton yarn from here was handicapped by the resumption of import surtax on this item there. HK cotton yarn however retained very strong local demand and prices were firm particularly when Laos also enquired for it. Pakistan cotton yarn was favoured by local weavers but prices were weak under heavy stock and new arrivals. Japanese rayon yarn enjoyed very keen demand from China and Korea; dealers here booked about 210,000 pounds from Japan recently.

Cotton Piece Goods: Trading in the local market was quiet. HK products remained firm particularly when West Africa and Laos started to buy HK grey and coloured cloth. Indonesia still wanted to get more HK cloth after the recent purchase of 100,000 pieces. Chinese grey cloth remained steady on local demand but Japanese cloth failed to improve.

Rice: Bangkok marked up indents for rice but prices here failed to make much improvement on account of heavy arrival from Thailand. Chinese rice was firm on low stock.

Wheat Flour: Imported brands remained firm on increased cost. HK flour improved on increased cost of wheat and steady demand from SE Asia.

Sugar: Taiwan sugar was buoyant when it was learned that future supply will be restricted. Japanese granulated steady on good local consumption and Taikoo products firm on demand from Singapore and Borneo.

Cement: Dealers here booked more Japanese cement at \$114 per ton cif HK when supply from Canton was limited and remained at \$115 per ton cif HK. China is now Japan's No. 1 buyer for cement: Japan shipped 79,750 tons of cement to China last month while exported to the local market only 16,000 tons. Demand from Singapore and Malaya slowed down; Pakistan was offering cement to these two markets.

Hongkong Products: Exports of rattan furniture will soon drop with the approach of winter season. Demand from UK, US, Europe and Australia for gloves is very strong at the present; dealers here are rushing shipments to catch the Xmas sales in these markets.

HONGKONG COMPANY INCORPORATIONS

The following new private companies were incorporated in Hongkong during September 1956:—

Independent Steamship Company Limited:—Nominal Capital, \$1 million; Registered Office, 67 Connaught Road Central, Hongkong; Subscribers—

Kwok Yat Sun, 73A Blue Pool Road, Hongkong, Merchant; Tsang Wei San, 360 Prince Edward Road, Kowloon, Merchant.

Stanley Holdings Limited:—To deal in shares; Nominal Capital, \$1 million; Registered Office, Alexandra House, Hongkong; Subscribers—J. R. Oliver, 1A Chatham Path, Hongkong, Solicitor; Raymond E. Moore, 20B Broadwood Road, Hongkong, Solicitor.

Tack Sang Import and Export Company, Limited:—Nominal Capital, \$200,000; Subscribers—Lee Yok Sam, 76 Un Chow Street, Kowloon, Merchant; Wong Fai Hung, 18 Tung Choi Street, Kowloon, Merchant.

Chung Nam Weaving Factory, Limited:—Nominal Capital, \$1.5 million; Registered Office, 2 Mok Cheong Street, Kowloon; Subscribers—Chu Shek Lun, 2 Mok Cheong Street, Kowloon, Merchant; Chu Ho Po Ling, 2 Mok Cheong Street, Kowloon, House Wife.

H.E. and Company, Limited:—Importers and exporters; Nominal Capital, \$500,000; Registered Office, 1047 Alexandra House, Hongkong; Subscribers—Chang Hung-Ting, 3 Headland Road, Hongkong, Merchant; Ong Liu Fong, 1 Somerset Road, Kowloon Tong, Kowloon, Merchant.

Gold Coin Metal Manufactory, Limited:—Nominal Capital, \$400,000; Registered Office, 2 Cheung Fat Street, Kowloon; Subscribers—Chang Tse Liang, 8 Wistaria Road, Yau Yat Chuen, Kowloon, Merchant; Fan Chai, 361 Prince Edward Road, Kowloon, Merchant.

Lion Advertising Service, Limited:—Nominal Capital, \$100,000; Registered Office, 24-26 Caxton House, Hongkong; Subscribers—William Littler, 16 Argyle Court, Kowloon, Advertising Specialist; Louis Cyril Diespecker, 83 Waterloo Road, Kowloon, Merchant; Samarakone Bandara Weerasinghe, 12A Salisbury Avenue, Kowloon, Merchant.

U Kwan Investment Company, Limited:—Nominal Capital, \$1 million; Registered Office, 311 Hongkong Hotel Building, Hongkong; Subscribers—Fok Ying-Tung, 102 Wing Lok Street, Hongkong, Merchant; Kwan Kai-Ming, 301 China Building, Hongkong, Merchant.

Deep Sea Fisheries, Limited:—Steamship owners; Nominal Capital, \$1 million; Subscribers—B. N. Cooper, 27 South Bay Road, Hongkong, Solicitor; P. J. Griffiths, 27 South Bay Road, Hongkong, Solicitor.

International Sugar Company, Limited:—Exporters and importers; Nominal Capital, \$100,000; Subscribers—John Cecil Wilman, 41 Cambridge Road, Kowloon, Solicitor; Gareth Henry Hamilton Golby, 502 Tower Court, Hysan Avenue, Hongkong, Solicitor.

Man Wah Shirt Company, Limited:—Nominal Capital, \$100,000; Registered Office, Sung Wong Toi Road, Kowloon; Subscribers—Tang Chu Wah, 6 Wah On Lane, Taiipo Old Market, Taiipo, Merchant; Mo-yat Chan, 519 Jaffe Road, Hongkong, Merchant.

Wing Wo Cheung Trading and Shipping Company, Limited:—Nominal Capital, \$1 million; Registered Office, 132 Wing Lok Street West, Hongkong; Subscribers—Siu King Chung, 2 Kai

Yuen Terrace, Hongkong, Merchant; Tse Chow Lam, 17 Lai On Lane, Hongkong, Merchant.

Southern Pacific Trading, Limited:—Nominal Capital, \$100,000; Registered Office, 6 Queen's Road Central, Hongkong; Subscribers—Chan Yin Yu, 256 Prince Edward Road, Kowloon, Spinster; Kwan Ping Hay, 48 Camp Street, Kowloon, Merchant.

Austrian & Continental Engineers Limited:—Importers and exporters;

Nominal Capital, \$500,000; Registered Office, 701-7 Edinburgh House, Hongkong; Subscribers—Georg Hironymus Luzzatto, 21 Macdonnell Road, Hongkong, Merchant; Arnold Morley Dixon, 526 The Peak, Hongkong, Merchant.

Victoria Trawlers & Traders, Limited:—Steamship owners; Nominal Capital, \$500,000; Subscribers—B. N. Cooper, 27 South Bay Road, Hongkong, Solicitor; P. J. Griffiths, 27 South Bay Road, Hongkong, Solicitor.

EXPORT OF HONGKONG PRODUCTS DURING JANUARY-JUNE 1956

COTTON PIECE-GOODS

Country	Quantity sq. yd.	Value HK\$
United Kingdom	26,917,675	32,240,521
Indonesia	12,278,905	16,252,473
South Africa	3,870,104	5,752,947
Australia	4,344,985	5,286,952
Thailand	2,709,348	3,336,754
Philippines	3,486,367	3,008,344
Malaya	2,037,872	2,755,234
African Countries, Other	1,428,528	1,537,009
East Africa (British)	689,653	1,100,548
British West Indies	972,325	1,042,831
Korea, South	500,710	1,009,352
Central Africa (British)	531,041	888,604
Cambodia, Laos and Viet- nam	550,878	805,720
British Commonwealth, Other	601,720	727,607
Macao	252,856	576,714
North Borneo	458,014	430,953
Oceania, n.e.s.	384,969	409,401
New Zealand	272,411	360,111
British Oceania	173,227	176,876
Central America	136,909	142,018
European Countries, Other	75,097	50,800
West Africa (British) ..	37,277	45,518
Burma	18,204	23,476
Middle and Near East Countries	12,286	20,152
Formosa	10,410	18,330
Canada	7,900	16,750
India	12,000	16,100
Sweden	5,651	9,830
Ceylon	5,000	9,725
South American Countries, Other	5,800	6,600
Central Asian Countries ..	3,111	4,600
Denmark	1,200	2,040
Total	62,761,633	78,164,899

COTTON YARN

Country	Quantity lb.	Value HK\$
Indonesia	12,561,852	39,018,770
United Kingdom	1,964,789	6,346,979
Philippines	1,308,114	4,847,228
Cambodia, Laos and Viet- nam	1,354,652	4,068,696
Thailand	610,838	1,865,406
Pakistan	85,017	391,111
Burma	80,000	213,422
Korea, South	11,600	45,900
British Commonwealth, Other	12,000	44,180
South Africa	19,000	42,875
Macao	6,380	16,036
Oceania, n.e.s.	4,092	13,653
Canada	600	1,945
Total	18,009,934	56,936,201

COTTON SINGLETs

Country	Quantity dos.	Value HK\$
Indonesia	2,079,819	29,744,618
Malaya	840,445	14,602,777
Thailand	82,187	2,526,292
Cambodia, Laos and Viet- nam	24,592	910,903
West Africa (British) ..	63,453	614,065
Ceylon	22,882	540,189
British West Indies	40,664	389,219
Middle and Near East Countries	24,553	367,759
British Commonwealth, Other	25,378	349,952
Macao	18,509	309,603
North Borneo	19,677	288,737
African Countries, Other ..	19,644	227,589
East Africa (British) ..	20,266	224,844
Oceania, n.e.s.	9,822	110,145
Australia	7,520	108,116
United Kingdom	6,503	100,230
British Oceania	11,364	93,288
Central Africa (British) ..	6,248	81,093
South American Countries, Other	2,180	42,250
New Zealand	2,192	34,381
Central America	1,995	31,343
Netherlands	750	18,151
Central Asian Countries ..	602	6,320
South Africa	1,000	5,800
Norway	140	2,590
India	140	2,589
United States Oceania ..	144	1,076
Germany (Western)	8	54
Total	3,332,672	51,742,973

FOOTWEAR

Country	Quantity dos. pairs	Value HK\$
United Kingdom	789,803	25,005,329
Malaya	34,090	4,731,799
Canada	87,495	3,065,519
African Countries, Other ..	45,999	1,335,197
Germany (Western)	34,104	1,151,461
Netherlands	34,795	1,132,718
United States Oceania ..	4,931	985,713
West Africa (British) ..	18,420	912,384
Belgium	20,840	760,987
British Commonwealth, Other	15,117	728,291
Cambodia, Laos and Viet- nam	3,416	708,938
Thailand	3,764	571,436
British West Indies	7,952	515,237
East Africa (British) ..	9,037	385,271
Central America	8,306	348,178
Australia	5,783	324,305
North Borneo	4,197	286,348
Oceania, n.e.s.	2,308	256,725

Country	Quantity doz. pairs	Value HK\$
Macao	6,786	234,535
South American Countries, Other	2,436	157,342
Formosa	2,018	157,095
British Oceania	1,768	149,896
Middle and Near East Countries	2,878	130,341
Indonesia	956	68,474
France	1,239	67,868
U.S.A.	907	63,338
Burma	845	45,629
Ceylon	702	44,297
Central Africa (British) ..	730	42,482
Sweden	305	26,863
Switzerland	369	23,588
New Zealand	388	17,678
Central Asian Countries ..	212	13,172
Philippines	112	9,725
European Countries, Other	72	5,836
Italy	108	5,554
Japan	226	5,443
South Africa	10	669
Pakistan	2	500
Total	1,163,923	44,467,141

ENAMELWARE

Country	Quantity	Value HK\$
West Africa (British)		12,775,805
African Countries, Other ..		6,005,794
Thailand		3,542,293
Indonesia		2,621,340
Malaya		2,385,442
Middle and Near East Countries		1,637,355
South American Countries, Other		1,623,556
East Africa (British) ..		1,360,300
Central America		837,534
South Africa		819,504
Ceylon		466,172
British West Indies		353,950
British Commonwealth, Other		327,503
Cambodia, Laos and Viet- nam		277,831
U.S.A.		261,624
North Borneo		248,356
Australia		195,937
France		184,321
Burma		176,027
New Zealand		79,737
Central Africa (British) ..		76,417
Oceania, n.e.s.		75,305
British Oceania		66,423
European Countries, Other ..		55,664
Formosa		53,129
Philippines		48,937

Country	Quantity	Value HK\$
Belgium		38,791
Egypt		34,996
Netherlands		23,173
United States Oceania ..		18,860
Central Asian Countries ..		8,440
Germany (Western)		8,786
Macao		8,941
Denmark		2,400
India		2,037
Canada		1,523
Pakistan		1,296
Italy		159
Total		36,688,334

SHIRTS

Country	Quantity doz.	Value HK\$
United Kingdom	246,096	5,880,200
Malaya	71,328	4,494,422
East Africa (British) ..	118,790	4,158,326
West Africa (British) ..	82,923	3,130,094
Thailand	20,489	1,683,225
British Commonwealth, Other	37,897	1,550,854
African Countries, Other ..	34,910	1,614,793
Central Africa (British) ..	28,621	1,381,874
Middle and Near East Countries	22,159	960,033
Cambodia, Laos and Viet- nam	8,590	956,203
British West Indies	13,523	593,786
British Oceania	13,853	559,248
Denmark	11,196	529,436
Central America	9,345	482,785
Australia	8,861	416,774
Oceania, n.e.s.	7,443	327,365
Formosa	4,916	280,785
U.S.A.	8,234	268,559
North Borneo	4,859	245,874
South American Countries, Other	4,640	237,044
Canada	3,371	153,303
United States Oceania ..	1,329	94,751
India	1,855	92,841
New Zealand	1,581	87,201
Indonesia	1,203	71,050
Sweden	1,252	56,983
Netherlands	513	43,153
Belgium	790	39,863
Macao	538	22,802
Italy	159	20,504
Central Asian Countries ..	336	18,774
South Africa	357	16,613
Japan	91	12,203
Germany (Western)	255	10,369
European Countries, Other ..	145	9,800
Ceylon	150	8,076
Philippines	8	720
Total	778,206	33,333,391

ELECTRIC TORCHES

Country	Quantity doz.	Value HK\$
U.S.A.	383,858	4,078,806
India	196,506	2,304,545
Thailand	52,498	1,701,556
West Africa (British) ..	145,151	1,534,257
United Kingdom	141,967	1,478,567
Central America	74,972	1,185,329
Indonesia	44,445	1,136,282
Malaya	43,828	1,028,781
African Countries, Other ..	65,645	920,232
South Africa	45,966	860,840
Australia	45,651	832,228
South American Coun- tries, Other	42,779	819,793
Canada	70,249	760,345
Cambodia, Laos and Viet- nam	30,852	594,446
Ceylon	14,567	456,420

Country	Quantity doz.	Value HK\$
Middle and Near East Countries	36,844	406,798
Sweden	30,996	377,307
Philippines	17,915	325,930
Netherlands	30,512	314,475
New Zealand	12,248	258,539
North Borneo	8,191	211,517
Central Asian Countries ..	11,028	207,990
Korea, South	21,334	204,873
Belgium	17,381	196,198
Pakistan	18,801	192,417
East Africa (British) ..	12,226	184,163
British West Indies	7,871	169,704
European Countries, Other ..	18,460	158,168
British Commonwealth, Other	9,855	131,162
Central Africa (British) ..	6,499	109,013
Norway	5,373	106,161
United States Oceania ..	5,771	98,369
Japan	2,682	89,465
Egypt	13,113	84,040
Oceania, n.e.s.	4,550	67,560
Italy	7,855	55,848
British Oceania	1,567	43,598
Denmark	4,368	33,765
Germany (Western)	510	17,600
Formosa	480	7,230
Burma	225	6,938
Switzerland	50	902
Macao	47	657
Total	1,705,686	23,756,613

FOODSTUFFS

Country	Quantity	Value HK\$
Malaya	4,589,206	
U.S.A.	2,357,832	
North Borneo	666,944	
Cambodia, Laos and Viet- nam	366,047	
Philippines	269,143	
Macao	239,338	
Burma	195,065	
Indonesia	160,899	
Thailand	118,636	
United Kingdom	97,806	
Australia	97,138	
British West Indies	91,566	
Japan	88,837	
Canada	86,742	
Central America	73,177	
South American Coun- tries, Other	61,182	
New Zealand	53,191	
Formosa	43,246	
Oceania, n.e.s.	33,529	
British Oceania	28,651	
United States Oceania ..	9,609	
Ceylon	8,820	
African Countries, Other ..	7,992	
South Africa	6,931	
Central Africa (British) ..	6,874	
Korea, South	6,125	
Switzerland	5,730	
West Africa (British) ..	4,632	
Germany (Western)	3,952	
Denmark	3,361	
British Commonwealth, Other	3,022	
Netherlands	2,923	
East Africa (British) ..	2,487	
Italy	540	
Pakistan	510	
India	450	
Sweden	300	
Middle and Near East Countries	229	
France	228	
China	129	
European Countries, Other ..	127	
Total	9,793,046	

METAL LANTERNS

Country	Quantity doz.	Value HK\$
Indonesia	12,022	4,389,344
Middle and Near East Countries	3,350	919,441
Malaya	2,399	861,453
Thailand	3,043	783,302
Cambodia, Laos and Viet- nam	1,148	565,959
Ceylon	948	320,215
Philippines	967	305,433
East Africa (British) ..	3,169	152,827
African Countries, Other ..	4,244	144,400
West Africa (British) ..	4,129	127,842
North Borneo	283	90,908
British Commonwealth, Other	1,949	78,270
U.S.A.	3,895	70,742
Australia	603	20,574
United Kingdom	1,008	20,160
Oceania, n.e.s.	205	19,716
South American Coun- tries, Other	111	13,725
Egypt	20	7,186
South Africa	175	6,430
Pakistan	14	6,200
Central Africa (British) ..	208	6,184
Central Asian Countries ..	36	5,620
Burma	11	5,410
British Oceania	77	3,854
New Zealand	57	2,481
United States Oceania ..	24	2,132
British West Indies	28	1,693
India	2	1,077
Italy	25	900
Central America	28	896
European Countries, Other ..	17	496
Total	44,200	8,934,870

TOWELS, NOT EMBROIDERED

Country	Quantity doz.	Value HK\$
Thailand	145,740	2,530,819
United Kingdom	225,135	1,904,396
Malaya	228,554	1,729,850
Cambodia, Laos and Viet- nam	16,856	401,869
British Commonwealth, Other	15,205	146,616
British West Indies	13,618	127,531
New Zealand	17,253	119,739
Canada	13,529	110,828
African Countries, Other ..	10,395	109,233
North Borneo	6,975	74,238
South Africa	6,190	73,872
Australia	7,603	64,968
West Africa (British) ..	2,960	45,611
Sweden	4,370	45,162
Oceania, n.e.s.	2,842	38,220
Burma	6,020	32,440
British Oceania	1,365	22,687
Macao	2,847	20,384
South American Coun- tries, Other	834	13,391
Middle and Near East Countries	700	12,223
Central Africa (British) ..	1,325	8,945
Norway	470	7,910
Denmark	560	7,385
Central America	832	6,158
United States Oceania ..	850	5,460
Central Asian Countries ..	255	4,767
U.S.A.	558	3,800
Germany (Western)	300	3,745
East Africa (British) ...	150	1,784
Ceylon	255	1,574
Total	731,551	7,670,105

LACQUERS, VARNISHES AND
PAINTS

Country	Quantity lb.	Value HK\$
Thailand	2,440,483	3,224,225
Malaya	2,459,479	3,113,546
North Borneo	274,633	316,593
Cambodia, Laos and Viet- nam	185,980	266,933
Burma	135,505	164,747
United States Oceania ..	76,622	130,504
Philippines	58,310	98,865
Formosa	51,040	82,762
Macao	41,898	54,800
Indonesia	22,205	43,425
Japan	22,786	29,390
Korea, South	10,950	24,809
East Africa (British) ..	12,992	15,666
Middle and Near East Countries	7,940	9,440
West Africa (British) ..	8,120	9,400
Italy	3,000	5,980
British Oceania	2,420	3,969
British West Indies	940	1,090
Central Africa (British) ..	702	845
Australia	309	779
Oceania, n.e.s.	60	312
British Commonwealth, Other	160	197
Total	5,816,534	7,598,277

ALUMINIUMWARE

Country	Quantity	Value HK\$
Indonesia		1,283,850
Cambodia, Laos and Viet- nam		1,083,417
Malaya		1,004,985
Ceylon		328,121
West Africa (British) ..		294,073
Philippines		124,937
Australia		119,195
South America Coun- tries, Other		106,610
North Borneo		100,009
African Countries, Other		95,867
Central America		87,731
Thailand		63,974
British West Indies		57,924
Oceania, n.e.s.		57,119
East Africa (British) ..		50,311
Middle and Near East Countries		36,076
U.S.A.		31,915
Macao		27,655
British Oceania		23,526
United States Oceania ..		19,131
British Commonwealth, Other		13,225
India		8,392
Central Asian Countries		6,421
Formosa		6,005
United Kingdom		4,889
New Zealand		3,890
Belgium		2,747
South Africa		1,048
Canada		360
Total		5,042,903

CEMENT

Country	Quantity cwt.	Value HK\$
North Borneo	254,539	1,676,970
Malaya	255,000	1,461,365
Korea, South	198,963	1,289,615
Cambodia, Laos and Viet- nam	47,847	348,702

Country	Quantity cwt.	Value HK\$
Australia	26,500	162,811
Formosa	6,901	53,520
British Oceania	2,000	12,000
Macao	810	5,175
British Commonwealth, Other	200	1,300
Total	792,750	5,011,458

PLASTIC PRODUCTS

Country	Quantity	Value HK\$
Malaya		961,858
West Africa (British) ..		628,619
Middle and Near East Countries		581,692
British Commonwealth, Other		363,110
Thailand		358,942
African Countries, Other		300,203
United Kingdom		207,215
British West Indies		200,988
South American Coun- tries, Other		168,287
Burma		149,817
Ceylon		138,361
Central Africa (British) ..		119,831
East Africa (British) ..		107,212
New Zealand		102,058
Central America		92,956
North Borneo		79,298
Indonesia		77,153
United States Oceania ..		64,233
South Africa		38,378
British Oceania		32,482
Cambodia, Laos and Viet- nam		29,464
U.S.A.		24,633
Australia		24,062
Belgium		15,061
Sweden		12,996
Macao		12,558
Central Asian Countries		12,107
Oceania, n.e.s.		11,166
Philippines		10,573
European Countries, Other		8,424
Canada		7,371
India		4,710
Pakistan		3,060
Argentina		2,687
Egypt		1,875
Formosa		1,558
France		1,500
Netherlands		1,120
Total		4,947,116

IRON AND STEEL BARS AND
ROUNDS

Country	Quantity cwt.	Value HK\$
Thailand	34,940	1,365,408
Cambodia, Laos and Viet- nam	23,533	1,104,376
East Africa (British) ..	11,940	407,019
New Zealand	12,211	404,961
China	7,284	281,793
North Borneo	6,905	268,047
Australia	5,880	213,366
Macao	4,981	199,171
India	4,830	170,210
Indonesia	2,370	89,860
Malaya	1,599	64,074
British Commonwealth, Other	1,460	53,710
Burma	500	18,050
Total	118,433	4,640,045

TORCH BATTERIES

Country	Quantity doz.	Value HK\$
Malaya	523,281	1,036,272
Cambodia, Laos and Viet- nam	291,633	750,545
Thailand	303,180	748,801
Indonesia	330,175	702,636
Middle and Near East Countries	92,508	222,347
Pakistan	96,998	205,321
African Countries, Other	87,874	186,830
West Africa (British) ..	86,220	182,451
South American Coun- tries, Other	41,426	84,298
Central America	30,430	63,121
Egypt	24,208	48,407
British West Indies	20,534	43,414
Australia	16,902	42,621
U.S.A.	18,930	36,555
Canada	15,850	35,621
British Commonwealth, Other	17,060	35,183
Ceylon	18,020	34,153
East Africa (British) ..	13,830	28,619
Sweden	11,500	22,881
Burma	10,380	22,727
United States Oceania ..	5,760	15,411
Central Asian Countries	7,232	14,697
North Borneo	5,930	13,628
South Africa	4,230	11,570
Oceania, n.e.s.	4,379	10,222
Macao	3,172	8,681
British Oceania	2,720	6,995
Central Africa (British) ..	940	1,940
Belgium	560	1,132
Netherlands	416	912
European Countries, Other	300	660
New Zealand	114	248
Total	2,086,692	4,618,929

VACUUM FLASKS AND JUGS

Country	Quantity doz.	Value HK\$
Malaya	14,520	959,414
Australia	27,315	576,480
Indonesia	12,254	458,898
Middle and Near East Countries	5,296	412,530
Thailand	9,261	327,032
Philippines	8,815	304,549
British Commonwealth, Other	3,522	153,673
New Zealand	5,717	146,749
African Countries, Other	4,317	189,381
Cambodia, Laos and Viet- nam	1,769	115,366
North Borneo	2,210	114,802
British West Indies	1,766	85,571
South American Coun- tries, Other	1,649	68,545
West Africa (British) ..	1,070	54,196
South Africa	1,586	46,935
Central America	687	36,099
Ceylon	1,347	31,227
Oceania, n.e.s.	599	27,989
Macao	485	21,012
U.S.A.	238	15,992
Egypt	211	13,439
Central Africa (British) ..	139	6,931
British Oceania	97	5,016
Canada	62	3,626
United Kingdom	103	3,240
Formosa	30	1,440
United States Oceania ..	12	1,257
Belgium	51	976
East Africa (British) ..	16	886
Sweden	6	850
Central Asian Countries ..	30	810
Netherlands	9	750
Total	105,179	4,125,721

BED, TABLE AND TOILET LINEN
(including towels), EMBROIDERED

Country	Quantity	Value HK\$
Central America	1,164,564	
South American Coun- tries, Other	1,084,329	
United Kingdom	305,311	
New Zealand	170,106	
Australia	130,502	
Malaya	128,807	
South Africa	126,509	
U.S.A.	120,146	
Italy	77,176	
United States Oceania ..	67,408	
African Countries, Other	66,951	
British Commonwealth, Other	61,871	
Germany (Western)	59,204	
Philippines	52,325	
Thailand	44,512	
Sweden	40,960	
Japan	40,437	
British West Indies	33,937	
Switzerland	28,747	
Middle and Near East Countries	21,948	
France	20,274	
Canada	19,858	
West Africa (British) ..	13,051	
Netherlands	11,259	
Oceania, n.e.s.	10,958	
Norway	10,890	
Indonesia	7,958	
Belgium	6,640	
North Borneo	5,833	
East Africa (British) ...	5,630	
Burma	3,184	
Pakistan	2,537	
Cambodia, Laos and Viet- nam	1,600	
British Oceania	921	
India	835	
Central Africa (British) .	258	
Total	3,947,236	

OUTERWEAR, EMBROIDERED

Country	Quantity	Value HK\$
British Commonwealth, Other	441,757	
Malaya	384,323	
United Kingdom	344,794	
New Zealand	310,225	
Middle and Near East Countries	309,856	
South American Coun- tries, Other	264,739	
U.S.A.	176,145	
Cambodia, Laos and Viet- nam	170,607	
East Africa (British) ...	142,824	
West Africa (British) ...	133,067	
Central Africa (British) .	114,795	
Denmark	104,545	
Australia	93,710	
African Countries, Other	92,859	
Japan	91,895	
Central America	88,289	
Netherlands	78,134	
United States Oceania ..	61,650	
Sweden	52,572	
British West Indies	45,013	
South Africa	41,215	
Norway	40,019	
Germany (Western)	33,998	
Canada	25,527	
India	24,601	
Philippines	22,693	
Ceylon	14,035	
Oceania, n.e.s.	13,287	
British Oceania	12,631	
European Countries, Other	10,643	
Thailand	8,336	
Belgium	5,506	

Country	Quantity	Value HK\$
Formosa		4,220
North Borneo		3,684
Indonesia		3,050
Switzerland		3,015
Italy		1,733
Egypt		403
France		386
Austria		143
Total		8,770,846

TORCH BULBS

Country	Quantity doz.	Value HK\$
Indonesia	1,670,006	702,528
India	780,024	422,293
United Kingdom	463,833	310,414
Thailand	185,035	302,524
Cambodia, Laos and Viet- nam	371,380	252,116
U.S.A.	268,001	171,706
Malaya	192,232	111,827
African Countries, Other	260,691	110,181
Middle and Near East Countries	196,003	105,122
West Africa (British) ..	223,886	95,547
Netherlands	181,337	72,158
South American Coun- tries, Other	122,919	66,347
Formosa	85,615	52,774
Central America	86,453	47,610
Korea, South	74,688	46,175
Sweden	59,163	41,492
Pakistan	60,340	40,105
Ceylon	62,952	37,820
Canada	60,832	36,910
British West Indies	52,898	35,437
Philippines	67,498	34,835
Australia	45,794	32,673
Egypt	64,244	26,882
Belgium	26,077	19,260
European Countries, Other	21,970	18,056
British Commonwealth, Other	32,411	15,622
United States Oceania ..	15,442	13,988
Oceania, n.e.s.	10,505	6,727
East Africa (British) ...	12,980	6,457
South Africa	3,778	3,841
France	4,166	1,625
British Oceania	2,000	1,560
Italy	1,998	1,454
Burma	1,750	1,100
Central Asian Countries .	916	670
New Zealand	535	534
Central Africa (British) .	582	490
Denmark	833	360
Total	5,776,767	3,245,820

IRON ORE

Country	Quantity cwt.	Value HK\$
Japan	1,174,920	2,172,715
Formosa	64,022	210,975
Total	1,238,942	2,383,690

ARTICLES OF CLOTHING (e.g.,
handkerchiefs, shawls, etc.),
EMBROIDERED, N.E.S.

Country	Quantity	Value HK\$
U.S.A.		1,249,800
United Kingdom		215,800
Central America		102,654
Switzerland		84,862

Country	Quantity	Value HK\$
Germany (Western)		62,050
Italy		50,844
Canada		42,508
Australia		23,042
South American Coun- tries, Other		22,465
African Countries, Other		19,236
United States Oceania ..		17,787
British West Indies		9,306
Central Africa (British)		6,543
Oceania, n.e.s.		4,662
New Zealand		4,546
British Oceania		4,336
Middle and Near East Countries		2,891
Netherlands		2,508
France		2,451
British Commonwealth, Other		2,326
Philippines		1,872
Norway		1,002
Sweden		960
Thailand		900
Korea, South		600
Belgium		440
Malaya		300
Austria		97
West Africa (British) ..		49
Total		1,936,729

UNDERWEAR AND NIGHTWEAR,
EMBROIDERED

Country	Quantity	Value HK\$
Malaya		371,442
New Zealand		362,289
Australia		107,438
African Countries, Other		86,413
British Commonwealth, Other		60,329
Cambodia, Laos and Viet- nam		60,181
British West Indies		54,240
Central Africa (British)		42,156
Thailand		36,390
Denmark		30,912
Middle and Near East Countries		28,623
Central America		28,506
British Oceania		26,175
United Kingdom		24,063
United States Oceania ..		20,948
West Africa (British) ..		20,179
Ceylon		12,688
Canada		9,633
Oceania, n.e.s.		9,268
South Africa		8,750
Mexico		8,413
Germany (Western)		5,361
Norway		4,800
South American Coun- tries, Other		4,170
North Borneo		1,881
East Africa (British) ..		1,834
India		1,616
Central Asian Countries		1,400
Sweden		1,228
Netherlands		974
Italy		914
Philippines		460
U.S.A.		171
European Countries, Other		132
Total		1,433,997

MATCHES

Country	Quantity case	Value HK\$
Indonesia	1,887	296,993
Malaya	858	122,512
East Africa (British) ...	322	55,910
U.S.A.	150	20,250
Australia	88	14,254
African Countries, Other	53	10,750
United States Oceania ...	80	10,060
Middle and Near East Countries	59	7,178
North Borneo	45	6,937
West Africa (British) ...	32	4,479
British Oceania	13	2,338
British Commonwealth, Other	10	2,000
New Zealand	1	230
Total	3,598	553,891

CIGARETTES

Country	Quantity lb.	Value HK\$
Macao	66,955	322,125
North Borneo	20,776	87,079
Malaya	8,485	48,670
Indonesia	5,580	27,900
Cambodia, Laos and Viet- nam	6,645	27,308
British Oceania	1,325	5,271
Oceania, n.e.s.	314	3,569
British Commonwealth, Other	690	3,200
Formosa	219	2,190
Middle and Near East Countries	115	365
Total	111,104	527,677

**TUNGSTEN ORE (wolframite) AND
CONCENTRATES**

Country	Quantity cwt.	Value HK\$
Sweden	60	40,679
United Kingdom	20	11,500
Japan	20	7,000
Total	100	59,179

SEAGRASS

Country	Quantity cwt.	Value HK\$
Malaya	1,160	44,096
Italy	70	3,820
North Borneo	89	3,740
South Africa	35	1,687
New Zealand	14	847
Australia	14	727
Middle and Near East Countries	15	710
Central America	5	199
Thailand	4	177
Canada	1	33
Total	1,407	55,936

WOOLLEN GLOVES

Country	Quantity doz. pairs	Value HK\$
United Kingdom	245,924	3,981,617
U.S.A.	139,452	2,417,710
Australia	53,130	972,564
Canada	28,579	479,495
New Zealand	9,878	194,963
Norway	9,466	188,347
Netherlands	6,138	110,337
Sweden	5,327	90,085
South Africa	2,279	41,131
France	2,353	38,980
Germany (Western) ..	1,781	35,411
Denmark	1,490	22,153
South American Coun- tries, Other	200	4,141
Belgium	56	721
Cambodia, Laos and Viet- nam	12	444
Total	506,065	8,578,099

COTTON GLOVES

Country	Quantity doz. pairs	Value HK\$
United Kingdom	381,709	5,646,353
Australia	26,213	471,782
U.S.A.	14,383	332,118
Sweden	12,924	212,781
Canada	14,669	190,908
New Zealand	3,011	56,462
Belgium	2,161	50,139
Netherlands	1,000	23,983
Denmark	1,185	20,163
Malaya	3,775	19,900
Thailand	2,021	10,951
British Commonwealth, Other	468	8,876
Germany (Western) ...	596	7,619

Country	Quantity doz. pairs	Value HK\$
Norway	430	7,431
South Africa	460	7,083
South American Coun- tries, Other	600	4,090
West Africa (British) ...	148	2,342
Ceylon	100	2,020
African Countries, Other	100	1,730
Japan	36	1,030
British West Indies	11	350
Macao	20	66
Total	466,020	7,077,667

NYLON GLOVES

Country	Quantity doz. pairs	Value HK\$
U.S.A.	59,481	1,243,918
United Kingdom	72,724	1,131,599
Canada	36,938	679,108
Australia	24,711	488,515
Netherlands	5,748	115,439
Sweden	7,067	98,682
Belgium	4,461	86,164
New Zealand	3,938	73,423
Denmark	1,143	18,815
Germany (Western)	1,115	18,768
South American Coun- tries, Other	400	9,262
South Africa	430	7,655
West Africa (British) ..	254	5,155
British Commonwealth, Other	298	4,470
Norway	249	4,241
African Countries, Other	100	1,886
India	72	1,732
European Countries, Other	50	986
Switzerland	49	845
Central Africa (British) .	50	810
Middle and Near East Countries	13	269
British Oceania	12	205
United States Oceania ..	4	95
British West Indies	3	65
Total	219,310	3,992,107

RAYON GLOVES

Country	Quantity doz. pairs	Value HK\$
U.S.A.	1,449	29,141
United States Oceania ..	15	359
West Africa (British) ...	20	250
India	6	105
Total	1,490	29,855